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Saturday Night

Canada's Magazine of Business and Contemporary Affairs

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Nixon Begins to Take Over in the U.S.



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Saturday Night

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INSIDE STORY

THE COVER: President Eisenhower greets Vice-President Nixon, the man he has so carefully and so obviously groomed as his successor. But, aside from the imponderables of Presidential elections, for a possibly more important effect on U.S. policies during 1960 read:

Kenneth McNaught's article "Nixon Begins to Take Over in the U.S.". Professor McNaught, of the University of Toronto, on Page 9 traces how, with the help of the Republican professional politicians, it is Nixon rather than Eisenhower who makes the wheels turn and how the really astonishing aspect of the pre-election pattern has been the failure of American liberals to grasp the significance of the early moves in the Republican strategy.

Whether or not Metropolitan Toronto has any sensitivity to developments outside its boundary is often a matter of debate. If it has, its hide should shrivel at the compelling array of facts and figures assembled by Montreal free-lance writer **Harry E. Mercer** in "Montreal Is Bursting at the Seams" on Page 12. And will the Quebec city continue to outstrip its Lake Ontario rival? Key to the probability, says Mercer, is that Montreal has far more raw material resources within economic reach.

Clifford A. Curtis, Professor of Economics at Queen's University, has been either Chairman or member of all Royal Commissions on Price Spreads except the one which reported last year. From this background he examines the most recent report, on which there has been much uninformed comment. Chain stores, he finds, may no longer be primarily concerned with price as a competitive weapon. His analysis is on Page 15.

"A New Science for Business Problems" is Operations Research as developed at the University of Toronto and now expanding to McMaster and Western. **Fergus Cronin** tells on Page 19 of some practical and proved uses of the new development which is still somewhat vaguely defined as "the application of scientific logic to any problem where there is a multiplicity of factors".

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Letters

Religion and Hope

The article "Keep Religion in the Schools" [Point of View: Dec. 15th] seems to be a mixture of two opposing points of view. In the last paragraph, for example, Ben Garrett sets forth the admirable doctrine that the first task of education is to "set our children to thinking about the great values which we have inherited" and in the next few lines, in so many words, calls for the direct indoctrination of Hebrew-Christian views.

These recommendations are contradictory. One loses the power to think if one is indoctrinated. To teach our children about our Athenian, Roman, Hebrew-Christian heritage is desirable if it is taught as heritage rather than as unchangeable absolutes. To know where we are we must know where we came from, but we should not teach the "great values" of the past as the constant condition within which our own society must develop in the future. Conditions change and, moreover, our children may develop ideas better than those of our ancestors or ourselves if we get them thinking rather than indoctrinated.

At any rate this should be our hope and education should be the practical demonstration of that hope.

MONTREAL KENNETH S. HOWARD

Fragmenting Fitness

SATURDAY NIGHT is gaining a reputation for straight, disconcerting communication; so it was no surprise to me to note your Comment of the Day, "Fitness Climate & Scenery" [SN Dec. 19].

But I was greatly startled to read that "He does not want people to take up sport . . .", and grieve to reflect upon the thousands of Canadians who now have the wrong impression of our fitness philosophy and aims. This is a blow below the belt and I am sure an unintentionally wild one.

The point your Comment misinterpreted, and one I emphasised in my CBC Post-News Talk in November, was that the channelling of federal funds through the rumored Canada Sports Council for the athletic advancement of a select minority and for maple-leaf promotion alone, is "fragmenting" fitness—supporting but one aspect of it.

This can never be fitness for the soft-

bellied masses, so sorely needed, and may well delay parliamentary acceptance of the National Fitness Council of Canada. It could almost be a red herring.

Agreed, for many people, the only way of persuading them to swallow the fitness pill is to coat it with sport—or play. This is sound psychology up to a point. But we must not be carried away on an emotional campaign of "More sport for neglected youth", when it is youth who are already the greatest participants. Neither must we harbour the illusion of Canada being a nation of happily-adjusted sportsmen.

Fitness must be made part of our other aspects of living—in the home, office and factory, as well as on the playing field. Fitness is not merely push-ups and sweat shops.

Central Fitness Council HAROURT ROY VANCOUVER Executive Director

Co-operative Indians

What is the answer to the Indian problem? Certainly there are some practical steps which could be taken to improve conditions.

First, turn Indian Affairs over to the various provinces and throw the present Federal department into the ash can. Make a thorough study by anthropologists and social scientists of the character and general capabilities of the tribes in each region. An intensive campaign should be carried on amongst the white people, particularly those who live near reserves, to give them a measure of understanding that the two groups might work together.

Build integrated schools wherever there is a mixed Indian-white population, with teachers in charge who have been specially trained (and that means a knowledge of their language and customs). Kindergartens for pre-schoolers are a must. Grants for the promotion of their arts; training as draughtsmen (many young Indians are meticulously good at this sort of work); training as game guardians, forestry men, nurses . . . training, indeed for any trade they show a bent for, in schools geared to their needs. In the case of central northern Canada, it could be a natural resources institute sort of thing . . .

Any action taken, of course, should be put into effect only after full and intensive consultation and understanding with the Indian people.

Out of this program could come a co-operative type of housing development, not on reserves. Out of this might come trapping co-operatives with schools, health and education facilities located in a central village. Out of this could grow fishing co-operatives, lumbering operations, farming on a small scale. The co-operative idea is stressed because it must always be remembered that the Indian people are communal by nature and tradition, and they will not successfully work alone. The family and tribe nearby is an essential to contentment.

(MRS.) MABEL RICHARDS
PRINCE ALBERT, SASK.

Bookselling in Canada

It is with reluctance and doubt that I, a lowly bookseller, take up a pen in defence of Canadian Booksellers.

The Canadian Bookseller is beset by many problems which are peculiarly Canadian and of very little significance in the other countries where books are published and distributed to a literate populace. I would like to list these items in the order in which they most affect the bookseller and in each case the item offers an explanation in part to either of the questions raised in previous SN articles [Point of View: Oct. 24 and Nov. 7].

Firstly, since the great bulk of the literature offered for sale in Canada is not Canadian in origin or of Canadian manufacture then of course it must follow that these books are imported. Since many of the bookshops in Canada are small, in many cases having very little clerical staff to deal with the complex and multitudinous details of book procurement, the primary publishers in England or the United States have given sole selling rights for their books in Canada to individuals and firms dealing with the book trade in Canada. These sales agents are in large measure purely jobbers of books and as such are protected by the original publisher from incursion into their private preserves. This has enabled the Canadian publisher jobber to set the price of his books in the Canadian market at any figure which the traffic will bear, which price often has no relationship to the price of the book in the country of origin.

The Canadian bookseller who has a sufficiently large volume of business to

mit him to purchase books from the primary publisher, and sell books competitively in Canada with foreign bookellers is prevented from doing this by the stranglehold which has successfully been gained over book distribution in Canada. There are of course a few Canadian publishers who do publish books here as is evidenced by the ever growing lists of *Canadiana*. However, there are so-called publishers in Canada who have never published a book and would not even know how to go about such a venture.

These are among the group of publishers who have recently submitted a brief to the Canadian Committee on Copyright in Ottawa which would, if approved, virtually stop the private importation of books into Canada and thus give the publisher an even greater stranglehold over the distribution of books.

Secondly, a point which Mr. Davidson would perhaps be interested to note but one for which Mr. McClelland's fine firm surely would not be held responsible is that most of the Canadian publishers would appear to have no particular interest in a strong Canadian retail booktrade.

Why else would they permit the direct sales to individuals, not only in isolated areas not served by bookstores, but in the more heavily populated areas of Canada adequately served by bookstores? Mr. McClelland's defence of buying in Canada is good; however, he does not know the facts of life. If all the retail book sales made in Canada were put through the cash registers of bookstores (not to mention sales to school libraries, public libraries, institutions and university libraries) the booktrade in Canada would be flourishing. This is the condition which exists in Europe and the British Isles where a city of 150,000 people supports as many as 65 bookstores whereas London, Ontario, with a similar population has only 5, all of which sell other goods to help the book department survive.

Most of the Canadian publishers do sell directly to the public and some even give discounts off the price they have established as the Canadian list price which of course might indicate that they sometimes have a twinge of price conscience.

Thirdly booksellers in the United States, Great Britain and Europe are given almost complete protection by the publisher against books which fail to sell, and thus the European bookseller does not require as high a markup as does his Canadian counterpart who often must reduce \$5 and \$6 books to less than a dollar to clear his shelves of items which have not measured up.

The Oxford Book Shop

LONDON, ONT.

ROBERT E. PITTMAN

And Records Too

The recent discussion on price differences for books in Canada and England prompts me to suggest that a similar enquiry on phonograph records might prove enlightening.

Why do records pressed in Britain by British or Continental artistes sell for less in the U.S.A. than in Canada? It surely costs just as much to ship from London to Seattle as to Vancouver and yet I can buy such records for as much as one dollar less in Seattle. Surely any benefit from lower customs duties should lie with Canada as a member of the Commonwealth rather than with the U.S.A.

It is hardly a question of sales volume. I have seen very small stores in small U.S. towns selling cheaper than large super stores in Canada.

One Vancouver record store currently has the gall to ask \$8.50 for a 10" L.P. of Ivor Novello tunes which sells in Britain for approx. 25/- (about \$3.50).

Whatever the reasons, the results are quite clear. I (and many others) buy all records in the U.S.A. whilst on holiday.

VANCOUVER

EDWARD ROBB

Life With Leacock

A carping and hypercritical review in the December 5 issue of *SATURDAY NIGHT*, by Arnold Edinborough, does very much less than justice to Ralph Curry's book *Stephen Leacock, Humorist and Humanist*, recently published by Doubleday. Quoting phrases out of context is an old trick, but it cannot be considered thoughtful reviewing.

Curry's book is the first full length biography of Leacock ever to be published. A scholarly and detailed account of Leacock as a man and as a writer, written out of original research, it presents a delightful picture of this very human humorist, and at the same time, gives a critical analysis of his writings.

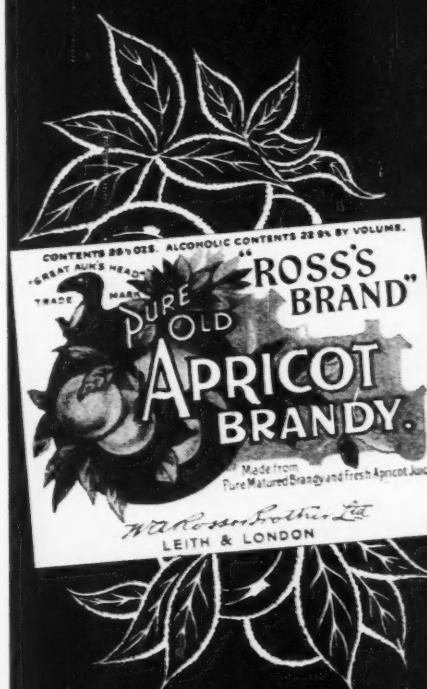
The book has already evoked the gratitude of many readers and it will certainly be read and enjoyed by many more. It will remain as an important study of an outstanding personality. That it was not written by a Canadian shows only our lethargy and lack of appreciation of this genius who walked among us in a shabby coat. That he was a genius does not mean he was an angel with no faults—Leacock was a very human person, much beloved by his many friends, but with plenty of sharp edges, nobby corners, blind spots and eccentricities in his character. Ralph Curry depicts him thus, and does not try to "make" Leacock anything other than he was.

The reviewer's trivial and waspish insinuations against the author as an American, are in very bad taste.

ORILLIA

GRACE CROOKS

Looking
for
new
delight
in a
drink?



REACH FOR

ROSS'S
APRICOT
BRANDY.

...another international favourite
from the makers of

ROSS'S SLOE GIN

ROSS'S BRAND bottled in Great Britain

Comment of the Day

Canada's Great Opportunity

THERE ARE GRAVE difficulties ahead if the British Commonwealth is to survive as the great instrument for world good which it should be. In the present ideological structure there are cracks which must be expertly mended in the next decade.

The greatest of these is continuing racial discrimination within member countries. In London, the very centre of the Commonwealth, there has been trouble with the colored immigrants who have come in under that law of the land which explicitly allows a Commonwealth subject to go to the mother country unimpeded if he so wishes. That the police and public are not so accommodating as the law, the Notting Hill and Nottingham riots last year testified; that the situation has not changed much Charles Taylor shows in an article on Page 17.

In South Africa a policy of rigid repression and of wholesale moving of Bantu families from white areas has hardened much world opinion against the Verwoerd government. Even within the Commonwealth, which takes criticism from the outside grudgingly, there have been calls for the expulsion of South Africa (see Keppel-Jones: South Africa: Should it be Expelled? SN Oct. 10/59).

In Canada, just to show that we are no better than our fellow members, 1959 saw several instances of people from Hong Kong being unceremoniously dumped out of the country, not because they were intellectually or physically unable to make their way in Canada but because their skin was yellow [SN Comment of the Day Dec. 5/59]. Yellow skin, like black, is not mitigated by Commonwealth membership.

Apart from this ideological stumbling block, there are also economic differences. Australia, New Zealand and Canada are all primary product countries interested in maintaining a stable market for raw materials and bulk foodstuffs. The rest of the Commonwealth is largely concerned with the exploitation of markets for finished goods and is therefore keen to buy staple commodities as cheaply as possible.

But the greatest test to be faced is whether those countries which came to independence in the fifties will be able to maintain their forward progress in the face of disruptive elements in their own borders. Ghana gives concern on this score, and so do the British West Indies. This last group, not yet federated, is now in the

middle of a battle which will affect Canada directly since we have so many commercial connections with it.

Basically the struggle now going on is between Jamaica and Trinidad, one the richest of the islands and the other the largest. In Canada we know about this kind of internal struggle for autonomy within the federal system and it is interesting that in writing about it a Trinidad journalist draws the parallel between Canada's confederation debates and those now going on in Kingston and Port of

of residual courses rather than a firm grounding for the intelligent and inquiring mid-twentieth-century mind.

This planning, however, is a matter for the Principal of the university, for a specially selected pilot staff and the Senate when the university is far enough along to set up such a policy body. It has nothing much to do with the Board of Governors who are primarily concerned with overseeing the housekeeping of the university once it is established and with the raising of a sufficient sum of money to establish it initially.

We fail to understand, therefore, why there has been such criticism from some quarters of the new Board of Governors for York University in Toronto. They are all businessmen, men who know how to handle money and who can, in a pinch, raise a substantial amount of it. Does anyone seriously think these people have been chosen to make educational policy? For one thing they do not have the time to make it; they are all too busy keeping the policies of their businesses up to date. But they can interpret the financial needs of the university well and convey this need to the business community at large.

Similarly they can convey to the policymaker, through the Principal, some of the things the business community is looking for in university graduates since it is, in the end, the business community which will employ most, if not all, the graduates.

M. Sauve's Legacy

THE DEATH OF Premier Sauvé of Quebec was a shock felt right across Canada. Completely unexpected, it added an ironic underline to a phrase in his own New Year's message: "Tomorrow belongs to no-one".

The shock waves will ebb outwards for a long time. Premier Sauvé had made it clear that, though he agreed in general with Premier Duplessis' line, he would not hew to it in detail. The result was that in his few short months in office he had cut across organisation lines, had speeded up official inquiries which had been dragging their heels for years (civil service pay was one) and had made a special effort to be more co-operative with the federal government.

The great question mark in the future is whether the policies of enlightenment and co-operation will be continued now that their inspiration has been snatched from



Sir Grantley: Another Sir John A.?

Spain. (He even equates Sir John A. Macdonald with Sir Grantley Adams).

The Commonwealth has up to now been a somewhat loose aggregation and this was possible when there was still the steel of Empire behind the Commonwealth facade. With most of the Empire now independent within the Commonwealth it is time that a new rationale was worked out. Perhaps the production of such a rationale is Canada's greatest single opportunity for world leadership in the next ten years.

Businessmen and Universities

THE PROBLEMS of setting up a new university in Canada are many. Some areas of science are changing so rapidly that one wonders just what kind of grouping and classification both of staff and buildings to aim at. New departments in communications are certainly needed to exploit the use of TV and other pedagogic aids. Even the basic curriculum could do with thorough revision since in many existing universities it is a sometimes unhappy mixture

the scene. But on this we should not make hasty judgements. Premier Duplessis had personally groomed Mr. Sauvé for his post, yet Mr. Sauvé broke away from the rigid and barren formalism of his mentor. His personality quickly impressed the nation once it had free play. There are other able men in Quebec who are waiting for just the same kind of chance which Premier Sauvé at long last got. Under Duplessis, no-one was allowed a personality except *le chef*.

The Opposition, saddened as much as anyone else in their private capacities may, in their public role, think of the sudden change as an opportunity for them. But they will have to move warily. All which they can criticize has been done by two great personalities both of whom are dead. Normal opposition comment, especially in so politically uninhibited a province as Quebec, may look dangerously like disrespect for the dead. Nothing backfires more quickly than the attempt to cut a recent hero down to size, especially where he is part way to being immortalised as a legend.

What is to be hoped is that Premier Sauvé's policies will be carried further by the new Premier and that Quebec, while still guarding its own institutions and character, will join more freely in those federal plans for roads and education which can do so much good for all.

Press and Constitution

IN EVOLVING their constitution the people of Nigeria are still somewhat confused about the powers of the governor-general. This is a natural confusion which each autonomous dominion faces at some time or other (We even had two Kings mixed up in our minds, you may remember).

Amongst other literature sent from Ottawa to help sort out the matter, we are glad to learn, was the article *The Powers of the Governor General* written for us by Robert W. Reford in the April 25 issue. We mention this to show just how pervasive the influence of the press can be. And was not one of the best modern constitutions partly written by a journalist, after all?

Power & Promotion in BC

LAST MONTH the Peace River Power Development Company announced that plans for a six hundred million dollar project had been filed with the British Columbia government. Some of the people around Hudson Hope and Fort St. John took this as a definite announcement that the project will be started next summer.

This is not likely, however, because the Peace River people have yet to find an initial purchaser for the amount of power they can develop.

Obviously, British Columbia Electric is in the market for more power, but with

the agreement reached recently by the International Joint Commission, B.C. Electric will be able to buy more directly from developments on the Columbia.

It is unlikely that a development on the Peace River would be allowed on the off chance that the power could be exported to the United States. The biggest user of power in the north-western United States is a group of primary aluminum producers. There seems to be little point in developing Peace River power in order to expand aluminum factories in the United States at the expense of Kitimat, which is a significant part of British Columbia's own economy. Also, there is a one-and-a-quarter-cent per pound tariff imposed on Canadian aluminum which does not foster eagerness on the part of Alcan to see power exported.

Development of power in British Columbia must come, of course, and any company which has put as much money into engineering surveys as the Peace River Power Development Company has, foresees a good return in the future. But it is a future still ten or fifteen years away.

The announcement of the six hundred million dollar project was merely a necessary move to preserve the company's position under the Wenner-Gren agreement with the Provincial Government. The company had to submit a project by the end of the year or ask for an extension of time which would involve re-negotiation with Premier Bennett.

But the announcement does show once again the promotional aspect of the present attempts to develop British Columbia. Surely exploitation of natural resources belonging to the people should not be conducted in the same way as the promotion of moose pasture by stock jobbers.

A New TV Game

DURING THE HOLIDAY season General Motors cancelled its sponsorship of a TV drama in a series produced by the CBC. This action on the part of GM has inspired one advertising department we know to invent a new game. The game consists of devising situations on TV which would bring the unwitting axe from various automotive firms.

For those advertising people who would like to try it in their own offices here are some situations so far invented:

- (i) A western involving the crossing of a river. (Not acceptable to GM or Chrysler).
- (ii) An adaptation of Dickens' *Oliver Twist* involving the Artful Dodger. (Not acceptable to Ford or GM).
- (iii) A documentary about the battle of Chrysler's Farm (Obvious).
- (iv) A historical drama about the Pontiac conspiracy. (Equally obvious).

A practice session will convince any advertising man that there is many a true jest which can be made in earnest.



First Canadian Coppers...



From earliest times copper was considered a most durable currency metal. Six-denier coins such as these were the first copper pieces known in Canada; although dated 1717, they were first issued in 1721 by order of Louis XV of France. Collectors today may value these coppers as high as \$450.

Canada's First Real Money

Canada's first real money was issued by the Bank of Montreal—Canada's first bank—when it opened its doors for business on November 3, 1817. With the passing of the Currency Act in 1841, B of M coins became recognized legal tender of Canada.



BANK OF MONTREAL

Canada's First Bank

SD270

60 PR 1a



YEARS OF



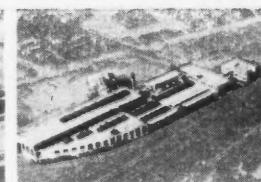
HAMILTON WORKS



CANADA WORKS



PARKDALE WORKS



SWANSEA WORKS



BRANTFORD WORKS

NOTRE DA

THE STEEL COMPANY OF CANADA LTD.

Executive Office ^{Hamilton} _{Winnipeg}

Sales Offices: Halifax, Saint John, Montreal, Ottawa, Toronto, Hamilton, London, Windsor, ^{Montreal} _{Winnipeg}

The first half-century of an all-Canadian company...

The year was 1910. Earl Grey was Governor-General of Canada, and Laurier was Prime Minister. Bleriot had just flown the English Channel, and Halley's Comet had thrilled millions as it crossed the sky. Confederation was only 43 years old—and Canada awaited the spark that would set its industrial upsurge in motion.

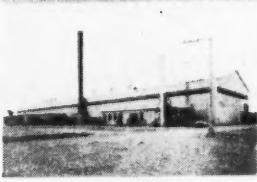
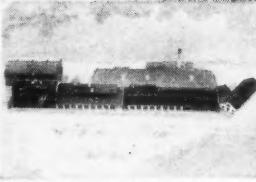
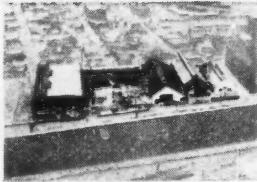
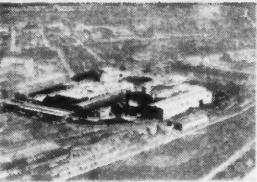
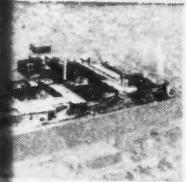
Five steel producing and steel processing companies joined together in that year to form The Steel Company of Canada, Limited.

Today, Stelco is Canada's foremost producer of steel and steel mill products. It is a Canadian organization, of Canadian origin, with over 90% of its shares held in Canada.

In this its 50th Anniversary Year, the Company looks forward confidently and with an unbounded faith in Canada's future. The Company intends to keep pace with the country's expanding needs for steel and to continue to fulfill its obligations of leadership in Canadian industry.

PROGRESS

1910 - 1960



THE STEEL COMPANY OF CANADA, LIMITED

Head Office
Hamilton and Montreal

Branches
Winnipeg, Edmonton, Calgary, Vancouver, J. C. Pratt & Co. Limited, St. John's, Nfld.

Perhaps the nicest Avis 'extra' is a little extra care



Firestone Nylon 500 "Town and Country" snow tires, heavy-duty battery and heater in all Avis cars assure you summer-like driving all winter.

During the snow-months, all Avis cars are completely winterized: rugged snow tires, heavy-duty battery, good strong heater and freeze-proof automatic windshield washers. These are just some of the many friendly extras you enjoy with Avis. Others, like confirming out-of-town reservations while you wait, and safety-equipping every car, make renting an Avis car a very real pleasure. Remember, it costs no more to rent an Avis car—and you *know* the extra care is always there.



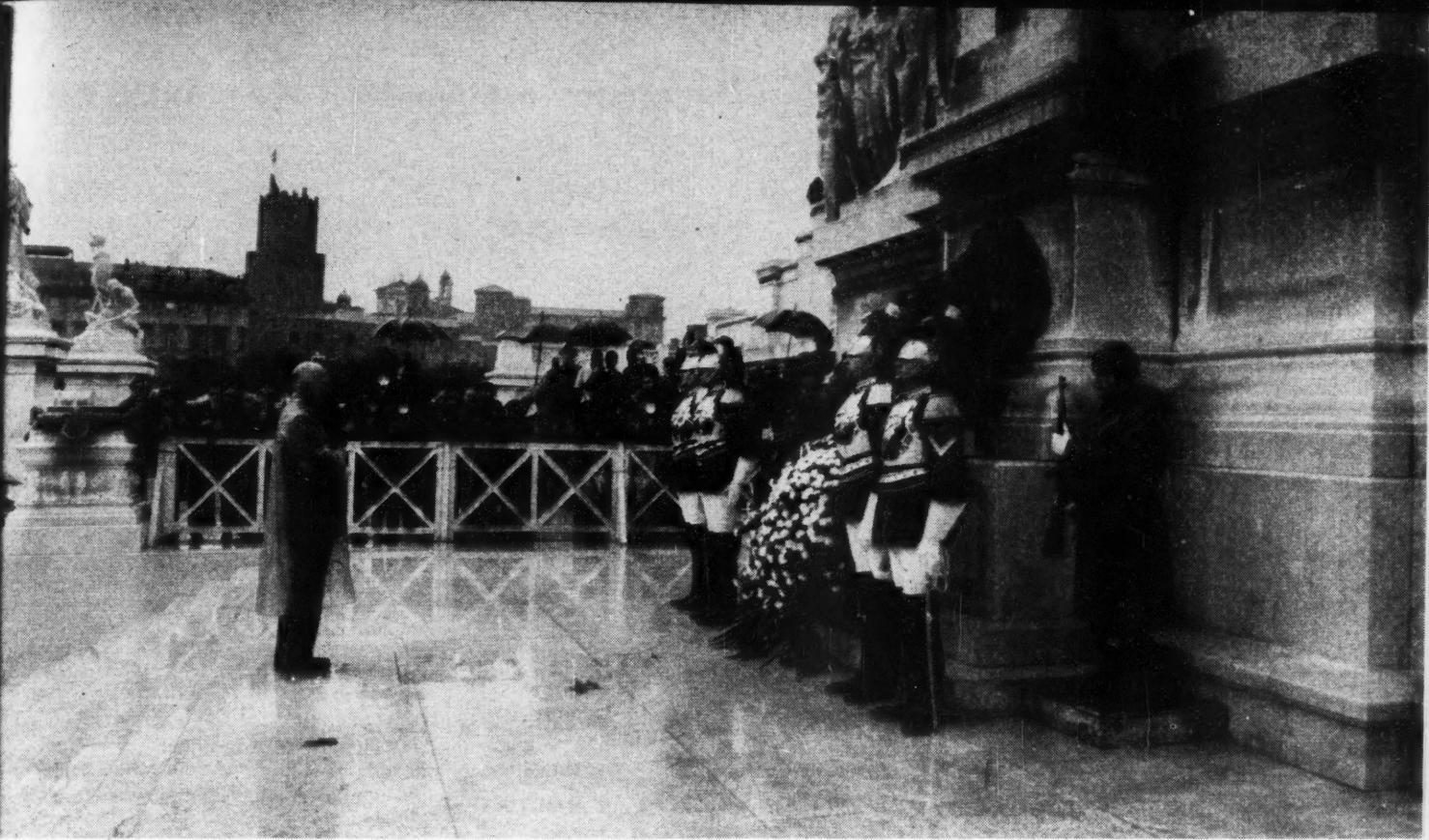
a little more car . . .



a little more courtesy

Avis rents all new
cars and features
Deluxe Pontiacs

The Avis Rent-a-Car System of Canada • "Serving Canadians Round the World"



After laboring slowly up 54 steps to the tomb of Rome's Unknown Soldier, a tired Ike stands bareheaded in cold rain.

Nixon Begins to Take Over in the U.S.

by Kenneth McNaught

"MY TRIP WAS NOT undertaken as a feature of normal diplomatic procedures.... My purpose was to improve the climate in which diplomacy might work more successfully; a diplomacy that seeks, as its basic objective, peace with justice for all men."

This was the most revealing passage in President Eisenhower's Christmas message. Revealing because it obviously expressed the President's hope of a successful breakthrough into personal diplomacy, and also because it defines the key election issue of 1960—peace, and how to get it.

It is all too easy to see the eleven-nation, 40,000 mile visitation exclusively as a function of the final year of a not too successful two-term presidency. And, just because this is a temptation, one must stress the other major aspect of the tour. This is, of course, the almost tragic courage of the ageing, fragile man, surrounded by anxious doctors and guards, reluctantly setting off on a tour which would try any robust undergraduate. Indeed, the extreme care with which frequent rest periods were planned merely underlines the anticipated dangers—such as the frigid rain along the Appian Way, the chilly procession in Iran, or the fifty-four steps which Mr. Eisen-

hower mounted so very slowly to lay a wreath on the tomb of Italy's unknown soldier.

But having said this it is also necessary to recall that the steadily growing evidence concerning the Eisenhower method is now all but conclusive. He is, and always has been, a man whose decisions are made far more on the basis of what other people think than what he himself may think. His wartime generalship was a series of decisions taken only on the advice of others. His Presidency has given every evidence of the same method—from the Little Rock crises to the Dulles foreign policies and now the policy revolution which has followed so closely upon the death of the late Secretary of State.

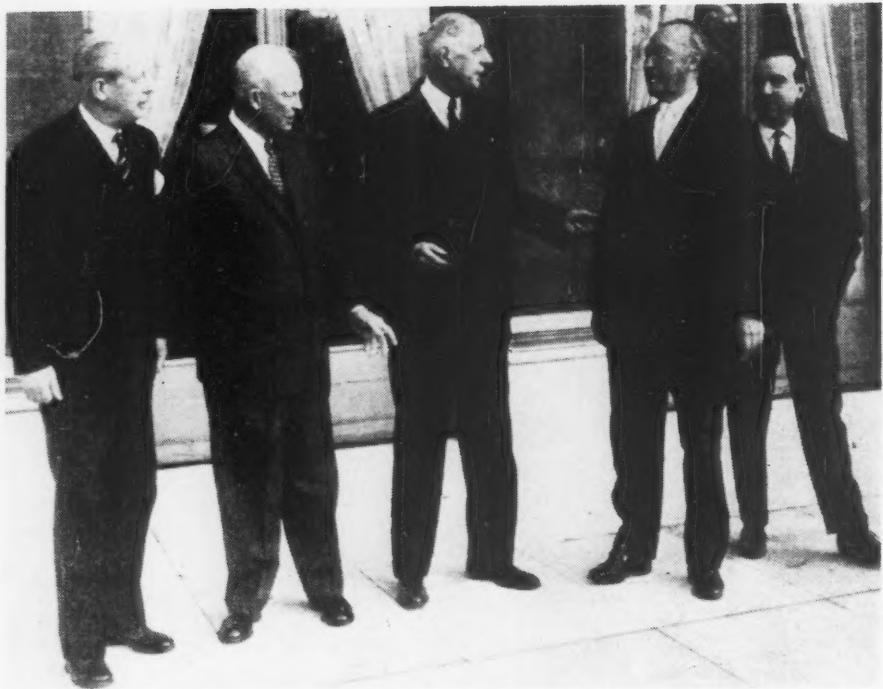
While there can be little doubt that someone succeeded in convincing Mr. Eisenhower that the world tour was a better approach to the summit than was brinkmanship, there is also little doubt that his closest advisers had much more in mind than the success of a summit meeting. Just as it was said of a controversial American tariff bill in 1828 that the only manufacturing it was designed to promote was the manufacturing of Andrew Jackson as President, so the re-

cent tour may well be seen by future historians as a major move in the campaign to install Richard Nixon in the White House. It is not difficult to fit the background pieces into such a pattern.

For some time now Republican pundits have been writing about Eisenhower's training of Nixon. Arthur Krock puts it this way: "But since the office has become the most powerful on earth . . . no Presidential heir, apparent, presumptive, or just a pretender, has been schooled in its problems as Dwight D. Eisenhower has schooled the young Californian whose two Vice Presidential terms have coincided with his own."

President's personal attempt to persuade De Gaulle to integrate French military with forces of NATO came to nothing.





Western Big Four meet was nullified by friction supplied by De Gaulle, Adenauer.

This picture of a respectful pupil-master relationship is no doubt pleasant for rank-and-file Republicans to contemplate (if any of them still read), but it is scarcely likely to convince more cynical observers. Indeed this conception of the Republican summit makes considerably more sense if it is viewed through the looking-glass (which may be the best procedure in an American election year anyway). The record of this strikingly important relationship is increasingly significant.

At each point it seems to have been Nixon rather than Eisenhower who made the wheels turn. In 1952, having deserted the California delegation which was pledged to Earl Warren in the Republican Convention, Nixon received the Vice-Presidential nomination on the winning ticket. Then, when \$18,000 of his slush fund was made public knowledge he scraped up \$75,000 for a national television appearance to prove he was innocent, as was his dog. When Eisenhower then declared, "This is my boy!" we are entitled to ask who was training whom.

Throughout two terms the ambiguity of the relationship has been chronic. Nixon has been given far more to do than any of his predecessors in that office, frequently presiding over meetings of the Cabinet and the National Security Council. Increasingly he gained access to the most secret sources of information and it is more than probable that from these he formulated policy attitudes for the President, rather than the reverse (even granting that both men rely heavily on the quiet secretarial figures of the Office of the President).

It became equally clear, particularly after the President's grave illnesses, that the Old Guard of the party were using Nixon—and that the only factor preventing them, through Nixon, from exercising

complete control of the White House was the stern old Calvinist at the State Department. This probably did not worry the Nixon men much because, while Mr. Dulles seldom sought advice from anyone and equally seldom told anyone what he was about to do, he never entertained presidential ambitions.

In any event, with his death, Nixon's role suddenly became much less ambiguous. With a background of detailed administrative work and some rather inglorious and unrewarding foreign missions Nixon apparently persuaded the President to abandon the overt toughness of the Dulles regime and to permit the Vice-President to visit Moscow.

Considering the mild if not negative impact which had been made by this quiet American on previous missions in Asia and Latin America the Moscow gamble struck the jackpot. Mr. Khrushchov's response to the rowdy farce of public bantering about peaceful co-existence was so encouraging that the President was then persuaded to take an even bigger gamble. Since the United States public so obviously approved of Nixon's method and (after all the Soviet rocketeering in the heavens) of the new Republican "softness", why not follow the line to its limit: invite Khrushchov to America and, in the process, define the chief issue for 1960?

While Khrushchov's visit caused palpitations in many a loyal American breast, it did end with something called "the spirit of Camp David"—and for the Republicans this was pure gold. The next step virtually planned itself. Allies must be assured that the summit would not be a sell-out, and the cracks in NATO had at least to be lightly plastered over. But, most important of all, the image of the Republican party as initiator of Presidential diplomacy and the party of peace (so

effective, incidentally, in 1952) had to be maintained. Thus, while the President, before accepting such a grave risk to his health, must have been convinced of the wider importance of the unprecedented tour, that event also seems to fit convincingly the more familiar pattern of election year politics.

The effect of the eleven-nation tour upon international relations, or upon American relations with the particular states visited, is still very obscure. Some pretty wild claims have been made for it by the Republican press, particularly about the Indian phase. But while there was enthusiasm along the thronged Indian routes, reports of the reception given the President's speech in the Indian Parliament have varied sharply.

Again, while Mr. Nehru had to play host at a particular trying time it is highly doubtful whether his neutralism has been shaken in any way. Whether the Asian situation has been "stabilized" by the President's hints of armed assistance against any Chinese incursions is a question quite unanswerable as yet. The other tour stops, moreover, raise much stickier questions.

Looking over the list one is tempted to the conclusion that only a brief flicker of good sense prevented the tour planners from including South Korea, Formosa and Laos. Almost everywhere the President visited there were overtones either of oriental despotism or more modern repression. To the rulers of openly absolutist states like Afghanistan, Iran, Morocco or Tunisia, or to supremely reactionary democracies like Greece and Turkey (whose press is more completely silenced than that of any other "democracy") it must have been somewhat poignant to hear the President's formal statements about democracy, liberty and peace. The rulers of these states will surely gauge their feeling for the United States ex-



Pundits say Ike's junket to Europe and Asia, Khrushchov's trip to States, were planned to help Nixon to White House.



Ike with Mohammed V of Morocco: Meaningless statements about democracy.

clusively by the criteria of economic advantage, whether public or private.

Perhaps the most serious mistake of the tour was the visit to Generalissimo Franco which came immediately after the Paris meeting and thus gave the worst possible impression. Surrounded by the heads of the army, and with El Caudillo protected by six uniformed guards armed with sub-machine guns, Mr. Eisenhower told the Spanish people that he brought a message of "a brighter future in co-operation for the noblest of all human causes: Peace and friendship in freedom." The man who is the living symbol of fascism had prepared for this by inspired headlines: "NATO Needs Spain". Who could blame Spanish liberals, or liberals anywhere in Europe, for asking the question: "Since the Franco regime now depends utterly on American military and other spending, what are we to believe about the aims of the United States?"

With Eisenhower's proposed Spanish stop in mind and further aggravated by the President's friendly call on President Bourgiba in Tunis (the Algerian problem remains a "grave concern") it is not surprising that the Paris welcome was perfunctory. Certainly the President's personal attempt to persuade General de Gaulle to integrate French military forces with those of NATO, or even to limit the French military commitment in Algeria came to nothing. In the meetings of the Western Big Four there was the additional friction supplied by Chancellor Adenauer's suspicions about a disadvantageous summit deal over Berlin.

Internationally, then, it is extremely difficult to perceive any specific advance resulting from the tour. What it did accomplish, perhaps, was the convincing of Mr. Khrushchov that the Republican administration, while it is not prepared to

go suddenly liberal or to curb drastically the American effort to close the missile gap, is willing to accept some version of competitive co-existence. And this, of course, was also the primary purpose of the tour from the point of view of domestic politics. For this reason there will probably be more tours in the future—designed to keep shiny the new image of personal diplomacy and also to put a check on the more irascible allies.

The really astonishing aspect of the pre-election pattern has been the failure of American liberals to grasp the significance of the early moves in the new Republican strategy. These moves were so clearly the result of realistic politics that one can only wonder in the face of the liberal failure.

With the arrival of nuclear stalemate and the onset of an increasingly ominous missile gap, American public opinion reflected the confusion of the mutually contradictory assessments offered by military and scientific specialists. But it began clearly to reject the old doctrine of negotiation only "from strength". Negotiation replaced strength as the most urgent requirement. This elementary fact of politics was seized upon to tremendous advantage by the Nixon-Eisenhower group. The pay-off has been quick and almost overwhelming—with Khrushchov now apparently serious about the possibilities of summit diplomacy.

In the meantime, people like Harry Truman, Adlai Stevenson and the top advisory group of the Democratic party on the one hand, and the Nelson Rockefeller Republicans on the other, have been manoeuvred into an extraordinarily reactionary position on foreign policy. While these men may be entirely right in their denunciation of the Nixon-Eisenhower foreign policy as being "words without

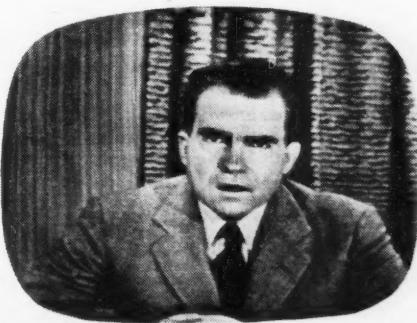
deeds" they are perfectly unrealistic politically in thinking that the new Republican image can be destroyed merely by calling for toughness and higher military budgets. They occupy the shoes of political liability so recently left empty by Mr. Dulles.

Rockefeller sealed his fate when he came out for the resumption of bomb tests pending the implementation of a test-ban agreement. When Thomas E. Dewey suddenly appeared partying and golfing with Richard Nixon the withdrawal of Rockefeller's hat from the ring was inevitable. The whole weight of the Old Guard is now with Nixon—and it is one of the wisest political decisions that group has ever taken.

The result of all this touring and image re-vamping is bound to be complex. At the moment it appears highly probable that the United States is about to witness the first presidential election in its history to turn primarily upon foreign policy. The Republicans have decided that prosperity will carry the party as far as the domestic field is concerned and this is an equally strong consideration for the Democrats.

The chief Democratic theorists—men like Schlesinger and Galbraith—have been talking about something they call "qualitative liberalism", which implies a subtle criticism of the nature of American prosperity and some pretty complicated ways of changing domestic social goals. But while this line of thought may well appeal to intellectuals it is close to impossible to sell it politically. The recent British election afforded nerve-shattering proof that "the nature of prosperity" is an extraordinarily tricky election issue. Certainly most Americans are not very excited about domestic politics right now. As one observer puts it, the only smoke that gets in their eyes is from the barbecue pits in their own backyards.

Thus while it may turn out that the new personal diplomacy is open to many specific criticisms (for example, it is estimated that Eisenhower and de Gaulle in their main conversation had time to exchange about 2,000 words each) it is something new and it is attractively packaged. Even if the entire election does not eventually turn on foreign policy, the first phase has given Richard Nixon no cause for worry. And he is obviously calling the signals in the United States from now on.



Quarterback Nixon to call GOP signals?

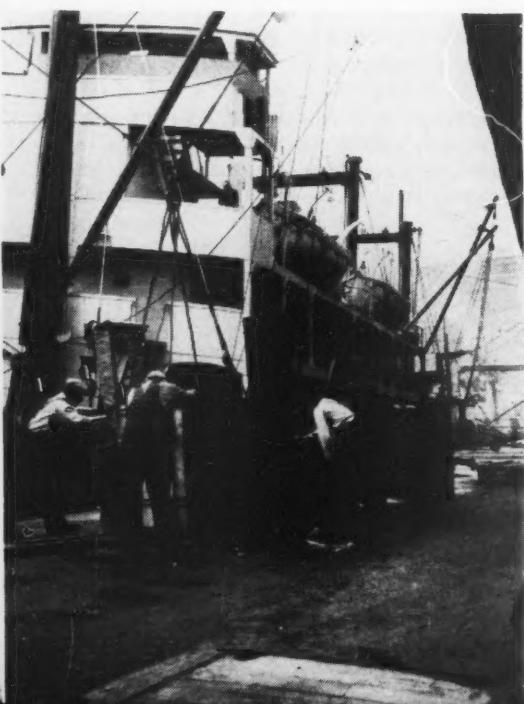


New look for one of Canada's oldest cities will include three skyscrapers on Dorchester Street alone at a cost of \$200 million.

Montreal Is Bursting at the Seams

by

Harry E. Mercer



CANADA'S ECONOMY has grown and shifted emphasis so much in the last decade that it is often difficult to be sure of what is now the newest or biggest in the land. Increasingly, spectacular local developments mislead many Canadians in predicting which city will in the future be the nation's greatest.

Latest trends show that this title rests firmly where it always did—with Montreal. And the current growth of this metropolis indicates that the day when the title must be handed over is not yet in sight.

The reasons for this are two-fold. Montreal is experiencing a construction boom that, in quantity at least, cannot be matched by any other Canadian city. The natural advantages that prompted Montreal's settlement in the first place are not only still relevant, they have even increased in importance.

The most striking feature of Montreal's current growth is the downtown building boom, easily the greatest in Canada's history. The value of building permits issued in the first eleven months of 1959 topped \$200 million, exceeding the previous year's all-time record by \$30 million.

Since 1955, six major structures have

gone up, three are now underway and three more are in the planning stage.

These include three of Canada's biggest future buildings: the 42-storey Place Ville Marie, the 43-storey Windsor Plaza (the top storey was added after the Ville Marie plans were finished) and the 34-storey Gatehouse building—all for Dorchester Street. Toronto's tallest building under construction, a 22-storey insurance headquarters, will be dwarfed by at least six going up in Montreal.

Montreal's three giants, all well past the planning stage, will produce fantastic effects. Between them they will add three million square feet to downtown office space, doubling present capacity limits. Half of this—25 percent of the future total—will be provided by the colossal Place Ville Marie.

Almost \$200 million will be spent on these three skyscrapers. Their construction alone will give a wide-spread boost to the city's economy. For every man engaged on the actual building, 10 will be working backstage in a large number of allied industries.

But not every Montrealer looks forward to the day when these three and other cloud-piercers are completed. City

Opening of St. Lawrence Seaway proved a boon to Montreal, brought 900 more ocean ships into harbor than in '58.

planners, already faced with apparently insoluble traffic problems, have expressed despair. The big three alone will bring 40,000 more people to Dorchester Street daily.

This eight-lane boulevard, widened to full practical capacity recently, already has difficulty in managing a flow of 2,800 vehicles an hour. Planners estimate that when the Big Three are occupied, another 1,000 vehicles an hour will cram Dorchester Street at peak hours.

Almost as fantastic as Montreal's intended growth is the lack of planning that accompanies it. Far-sighted planning is needed here far more than in Canada's next biggest cities, Toronto and Vancouver. Montreal is an island city with a 700-foot mountain separating most of the midtown business area from the suburbs. Rush hour traffic jams up between bridges leading to the mainland and on the few roads running around the mountain.

Yet City planners have virtually no power to control or outlaw construction projects that will obviously increase congestion.

As Romeo Mondello, director of the City Planning Department, frantically campaigns for revision of City by-laws to allow for more control, further building permits based on regulations half a century out of date are being issued.

"The city," Mondello explained, "needs at least an east-west expressway along the harbor and two running north-south across the island."

Recently, Richard M. Binns, director of traffic studies for the Montreal Transport Commission, impatiently burst in on another city-wide transportation controversy. He stated adamantly that Montreal needs a subway.

Supporting this contention, a *Montreal Star* editorial moaned: "It makes the heart sick with deferred hope to find an item like this on the front page of this newspaper:

Metropolitan population trends in Canada's leading three cities:

	Montreal	Toronto	Vancouver
1941	1,145,282	909,928	337,447
1951	1,395,400	1,117,470	530,728
1956	1,620,758	1,358,028	665,017
1959 (estimated)	1,800,000	1,500,000	750,000

Metropolitan manufacturing industries in 1957:

	Montreal	Toronto	Vancouver
Number	5,120	4,763	1,782
Selling value of factory shipments	\$3,922,899	\$3,027,444	\$937,850

The total number of manufacturing industries which began producing in Canada between 1950 and 1958 and which are still in operation numbered 17,488. The proportion of these that located in the leading three manufacturing provinces:

	Quebec	Ontario	British Columbia
	5,407	5,289	3,057

Of these, the metropolitan areas of the largest provincial cities gained:

	Montreal	Toronto	Vancouver
	2,604	2,201	964

Toronto, Nov. 17—Premier Leslie Frost yesterday took over controls of a steam shovel to inaugurate work on Toronto's second subway."

Provision for the three extra throughways and a subway have not yet been made by City authorities. Behind this incredibly short-sighted neglect lies the whole structure of Quebec politics. Montreal simply has not enough funds to finance such projects. Most taxes and surcharges levied in Montreal go to the provincial government, which can use them anywhere it pleases. The late Premier Duplessis invested much of the money in northern developments.

But if Montreal fathers lack foresight and funds in their dry land ventures, the Federal authorities controlling the city's greatest asset—the port—certainly don't.

The harbor, comprising 12 miles of wharves and 131 berths, is the biggest inland port in the world. Current improvements, scheduled for completion in 1961, will cost \$50 million. Another \$100

million was recently earmarked for future extensions and improvements.

The port is a natural crossroad for both North American and international trade. The first shipping season began in 1535, when Jacques Cartier anchored his tall-masted ship in the deep headwaters of the St. Lawrence to trade with the canoes of Red Men from nearby Hochelaga. Now, at the close of the 424th season, which includes the first Seaway season, Montrealers are more confident than ever that their port will remain Canada's greatest.

Guy Beaudet, manager of the port, has explained that the city gained in several respects since the Seaway opened. Reports show that at the season's close the number of ocean ships that tied up in Montreal was up 900 on last year. More United States grain was handled than ever before—26 million bushels, or more than one-third of the port's total grain shipment.

Imported general cargo increased 13 percent on the 1958 total of three million tons. Authorities jubilantly pointed out that Toronto's 10 percent increase was based on the previous year's total of something like 100,000 tons.

Montreal's strategic commercial location made her first choice with businessmen at the very beginnings of Canadian history. Fur traders were followed by trading and brokerage firms. Then came the banks and big investment houses. Oil was later needed for bunkering ships and a refinery, destined to become Canada's largest, was set up. Among the heavy industries now located in the city's East-end are foundries, shipbuilding yards, locomotive workshops, hydro-electric equipment manufacturers and asbestos processors.

Montreal, with more to sell and more services to render, became Canada's transhipment emporium. It is headquarters for North America's largest railway system, Canadian National Railways, and for the world's largest transportation company, Canadian Pacific.



Metropolitan Montreal supports 5,200 industrial establishments which have a gross collective factory shipment selling value of almost \$4 billion annually.

Here also are the headquarters of the International Civil Aviation Organization and the International Air Transport Association, gaining for Montreal the title "Airport Capital of the World."

Because of these natural and developed advantages, Montreal today has Canada's greatest concentration of industry, largest reservoir of manpower and most extensive retail market. Metropolitan Montreal supports some 5,200 industrial establishments, which have a collective factory shipment selling value of almost \$4 billion annually. Toronto's 4,800 establishments produce to the value of slightly more than \$3 billion. Vancouver's 1,800 factories ship out goods valued at \$1 billion each year.

One drastic side-effect of Montreal's growth amounts literally to a social revolution. It amazes visitors returning to the city after several year's absence to see what is happening at the fringes of the metropolis. No longer do they drive suddenly from a country highway into a compact city of apartments.

A recent report stated that the population of residential suburbs is increasing by more than 50,000 a year. Montreal's 87 municipalities are growing at about five times the pace of the city proper. Today, almost one million people live in suburbs and outlying towns.

Newcomers to the city are not entirely responsible for this housebuilding stampede. A comparison of today's figures with those of 15 years ago shows that fewer people live in 22 of Montreal's 35 most central areas.

Economic prosperity following World War II is probably the chief cause of the mass exodus. As incomes rose, parents seized the chance to give their children more playing room, to get something that would be their very own. English-speaking Canadians and New Canadians from Europe have been at the forefront of this thrust outwards. But now even the French, once confirmed apartment dwellers, are finding the city too congested.

The exodus caught most suburban and township administrations unprepared. With several thousand would-be house owners trying to buy at the same time, chaos re-

sulted. Until the past two or three years, planning and zoning was completely ignored in many regions.

Houses, many of poor architecture and shoddy in structure, were thrown up at lightning speed. Within eight years the population of Dorval tripled to 15,000. The South Shore now houses more than 100,000 people. In 1941 only 20,000 lived there.

Stricter control in the English-dominated Lakeshore district, where some suburbs multiplied their populations 10 times in as many years, has produced at least an eye-pleasing effect. But there the owner of an \$18,000 house may expect to pay up to \$500 a year in taxes. House owners in some Lakeshore suburbs claim their taxes are the highest in Canada.

Montreal is one of the world's great cosmopolitan cities. Racially, though, it is not the nest of chirping birds that pacifying officials would have us believe. Population growth has both increased the number of ethnic groups and further accelerated business ownership away from the city's founders—the French.

It has in fact been said that Montreal is really an English city. For it is the English who occupy the mountain mansions and direct the flow of commerce and finance. They hold the money bags and the French run the city.

French Montrealers complain that their English neighbors are interested in nothing but the art of money making. Most of the French are bilingual, but the English, as one Frenchman pointed out, "don't even know that 'merci' is French for 'thank you'." The English are criticized for ignoring French culture and traditions, keeping frigidly to themselves and for being too ready to moralize about hearsay French vice in the French city that is making them rich.

Easily the most persistent grudge the English hold against French City officialdom is its alleged corruption. Contracts that involve City officials, English businessmen frequently complain, will often remain pigeonholed if a bribe of some kind is not forthcoming. Some years ago a prominent City official willed the people

of Montreal enough money to build another bridge across the St. Lawrence. Such generosity astonished the grateful citizens. It was even more astonishing, a few cynical observers pointed out, that the benefactor was able to save the necessary \$10 million out of his meagre City income.

Tales of official graft circulate freely among the English-speaking residents of Montreal. It is fair to say, though, that most of them are based entirely on hearsay. Whatever else these tales might indicate, they point up, like French claims of English snobbery, a smouldering antagonism where French and English Canadians rub shoulders most. It would perhaps be healthier for each side to air its complaints about the other. Then, it would probably be found that education systems west of Ottawa include virtually nothing about French-Canadian culture, and vice-versa.

Do current expansion trends indicate that Montreal will remain Canada's greatest city? Cities increase in size in ratio to local commercial and industrial activity. Manufacturers consider a complexity of factors when deciding where to set up shop. Basically, however, they will be attracted more readily to areas where raw materials are cheap and close, and where relative costs of power and transportation are lowest.

In each of these respects, Montreal appears to have the edge on other Canadian cities. Quebec's reserves of a large number of minerals, including iron, titanium, copper, zinc and lead, are now known to be enormous. No other city has a greater hydro-electric potential at its backdoor, except possibly Vancouver. But Vancouver is thousands of miles from lucrative eastern markets. The population of all British Columbia, furthermore, is about 200,000 less than that of Greater Montreal. High Canadian wages and overhead also appear to rule out the chances of Vancouver promoting large trade increases with growing nations across the Pacific.

Toronto is the only logical contender in sight for Montreal's crown. Respective population growths and the total value of goods produced in these two cities, however, show that over the years Montreal has slightly increased her lead. And certainly Montreal has far more raw material resources within economic reach.

The Seaway, feared so much by Montreal businessmen not so long ago, could easily prove the greatest boon of all. It provides the ideal route over which to transport raw materials and metal products to the huge interior markets of Canada and the United States. Moreover, the expanding facilities of Montreal's port provide the perfect outlet for exporting the same commodities to Europe and the ports of the Americas. It will require something so far unforeseen to demote Montreal to second best.

New CNR hump yard at Cote de Liesse symbolizes city's status as headquarters for continent's largest railway system.





A Sober Look at the Food Industry

by Clifford A. Curtis

Chain stores and supermarkets rose to public favor by providing greater shopping efficiency, lower prices. New studies, however, suggest they are slipping away from this policy which attracted customers and brought them to power.

LAST MONTH THERE WAS a lot of uninformed press comment about the Report of the Royal Commission on Price Spreads of Food Products. But now the synthetic furore has died it is possible to look at the report more carefully. It is a very interesting document, two volumes of which have been released with another yet to come. Volume I gives a short summary of the detailed analysis in Volume II and contains the Commission's conclusions and recommendations. Volume II contains the detailed analysis of Agriculture and the Food Marketing System, and Volume III presumably will have the detailed industry studies. Considering only the economic side, one gets the impression of careful work and some good economic analysis despite some uncertain and possibly contradictory interpretations.

It is worth noting that in a sense this Report is really the fifth in a line which began in 1915 with the Report of the Board of Inquiry into the Cost of Living which was substantially influenced by R. H. Coats, later Dominion Statistician. Then there was the House of Commons Committee of 1919, which came into existence because of rising prices associated with the 1914-1918 war and which resulted in the Board of Commerce Act and the Combines and Fair Prices Act. The Board of Commerce marked the first federal effort to control prices by an administrative body and it was ended by the Privy Council which held that the legislation establishing the Board was beyond the powers of the Dominion Government.

In 1934 the House of Commons Committee on Price Spreads and Mass Buying came into existence and later was translated into a Royal Commission on the same subject. Although it was concerned with the effects of falling prices on production and distribution generally, and

was thus much broader in its scope, it went over much of the territory covered by the present Commission and it is revealing to see how many of the old problems are still present — sometimes refurbished and in a more up-to-date dress.

The 1934-5 Commission was concerned with price spreads generally and mass-buying—the power of large buyers, particularly department and chain stores—but it went on into the broader aspects of business control and also ended up with a recommendation for a Trade and Industry Commission which was to act as the omniscient controller of what was good and bad in industry. But this Act too went down before the decision of the Privy Council that most of its sections were *ultra vires* the Dominion Parliament.

The reconstitution of the Combines Act in 1937 left the situation much as it had been and, of course, the war controls carried through until 1945-6. In 1948, a House of Commons Committee on Prices was established and again was translated into a Royal Commission on Prices. Its terms of reference were wider than those of the present Commission and its main concern was rising prices. It too made a number of recommendations one of which started the resale price maintenance study which led in turn to the law which is still a cause of much discussion.

And finally there is the present report with its analysis of price spreads in the food sector. Thus, in effect, Parliamentary and Royal Commissions have given Canadians a continuous and running analysis of important sectors of their economy. Without doubt the Royal Commission, when properly used, can be a most effective device to elucidate information and formulate policy considerations and is one of the most valuable aspects of British constitutional practice.

Now it may be useful to distinguish

between the general analysis of the present Commission and the actual recommendations, some of which are as follows:

1. that private companies, like public companies, be obliged to disclose financial and similar information;
2. that the government maintain a stable price level;
3. that a permanent council on Prices, Productivity and Incomes (mainly but not exclusively to keep the food industries under review) be established.
4. that the Combines Act Administration be put in a position to extend its inquiries into selling practices, etc., of the food industries.
5. that cash discounts be made optional in all stamp plans.
6. that the advertising and food industry set up a code of ethics to guide food advertising.
7. that a division be established in the Department of Justice to keep an eye on measures designed to protect consumers.
8. that more complete statistics on small business be obtained and made available; (in addition there were a number of recommendations about better and more statistics);
9. that a federal statute be passed to provide for the incorporation of cooperatives.

It is impossible to comment here on all these recommendations and consequently some of the most significant ones must be selected. There is nothing new in the proposal that consumers should have all possible market information and that misleading advertising should be attacked. Both of these things were emphasized by the 1935 Commission and at that time a great deal was made of a proposal to establish a Consumer Commodity Standard Board which would deal with standards; indeed, it was to establish "Canada Standard"—a guide to quality

for the consumer. The mere fact that this matter was well explored earlier does not destroy the value of the present proposal but it does indicate that these remedies were proposed before and have been in the hands of the authorities for twenty-five years.

The recommendation "that the Director of Investigation and Research Combines Administration be put in the position to extend inquiries into buying practices . . ." is commendable but flabby. Surely what is required is a vigorous and less legalistic approach to the problem or even an overhauling of the whole structure. Possibly what is needed is a separate organization—like the earlier Federal Trade and Industry Commission—*independent* of governmental departments, with adequate appropriations and oriented towards competition and towards making competition work.

A consumer bureau could be a useful device if it were taken seriously by the government and community. But it is doubtful if it would be, since the consumer interest seems to be a forgotten one. Nearly everyone can get so much more real income from his producing interest that he has little time for his consumer interest. An increase of even one cent an hour in income is worth more to most people than a cent per pound off the price of sugar. And so the usefulness of such a bureau may be doubted, especially if it is in the legalistic atmosphere of the Department of Justice.

The proposal for a continuing Council is innocuous in that it may not do any harm but it also may not do much good. Quasi-public bodies which have no powers except to spend public monies are not likely to gain much influence or respect. It is true that a continuing investigation machinery—if it is used and taken seriously—can be more effective than the *ad hoc* periodic one.

Broadly speaking the Commission has been concerned with two large problems. The first is the producing and marketing structure of agriculture commodities and the second is the distribution of processed food products. In dealing with the first the Commission has been concerned with an economic problem which every economist appreciates—that the agricultural producer is *producing* under competitive conditions but as soon as he starts to *dispose* of his products he encounters monopolistic and quasi-monopolistic buyers and processors. And under such circumstances how can he obtain competitive prices and some economic equality in bargaining?

The Commission concludes—certainly at some places—that organizing the producers into one selling agency will not give the results of a competitive market and here again it conforms to accepted economic analysis. It is true that a producer marketing agency may in some cases help the producer, but it is mainly

a device for obtaining a share of the monopoly gains of the distributor. It generally brings about its own downfall for it does not meet the underlying problem of agriculture. And certainly it will not give the consumer lower prices. Finally, if marketing schemes are inadequate, then some fundamental adjustments are needed in agriculture. If these are too much for the individual, surely it is a public responsibility.

It is precisely at this point that the Commission wavers and is inconclusive. Having expressed doubts about marketing agencies it apparently goes on to accept them if nothing more can be done about the monopolistic structure of the food processing industries. It condemns further concentration of firms in food processing, but doubts if anything can be done about breaking up existing concentrations.

A good deal of the concentration in the field of food processing may be based on technical considerations or it may be based on plain financial power. Size *per se* is neither good nor bad and can be either; surely the sensible policy would be to have the facts ascertained by a competent agency. There have been many mergers in the food processing field but were these all necessary for efficiency? What have they done to market power? Surely this is the very place where there should be a vigorous attempt to make competition work.

On the analytical side it appears that the Commission's analysis of the operations of the chain grocery stores brings out the conclusion that they are no longer primarily concerned with price as a competitive weapon. The Commission quotes as follows:

"In connection with advertising, it may be mentioned that the growth of the Loblaw chain has never put price first. Prices compare favorably and must compare favorably, with prices of competitors but the first emphasis is on quality." (Vol. II, p. 57).

But in the Prices Spreads Report of 1934-5 we read as follows: "so far as chain stores are concerned, they frankly and openly emphasize their price appeal to the consuming public." (p. 216).

So it appears that the chain stores which rose to public favor on the grounds of efficiency and lower prices are now slipping away from the policy which brought them power. Now why is this? Is it a rule of business—as well as of life—that prosperity and success leads to a loss of the very qualities that made the success?

It is doubtful if the public—given any choice—would in general give up its preference for lower prices to accept premium flashlights and silverware. Possibly the Commission's proposal to have all trading stamps redeemable in cash is to meet this point, but it is clear that the chain store does not propose voluntarily to give such a choice to the consumer. Only new competition could compel it to do so. But,

unfortunately, the problem of getting suitable sites in shopping centres, of finding the large capital requirements, and of meeting the over-expansion of the existing store capacity (as a result of preempting suitable and limited sites) makes entry to the supermarket business more and more difficult. One can only hope that some new price-conscious merchandising agency will emerge.

The Commission seems to suggest that the growth of advertising allowances from manufacturer to large distributor, with a concurrent declining interest in price concessions, is another manifestation of the chain's increasing interest in service competition over price competition. The manufacturers may also have an interest in maintaining the price structure because a decrease to one buyer might lead to decreases to others. Thus the concession of advertising and other allowances to the influential buyers is favored by both groups even if they are, in fact, a concealed price reduction. It is impossible for an outsider to assess the situation but it is a development of great concern in the distributive field.

It is doubtful if the margin analysis made by the Commission or some of its critics should be given too much weight. Ratio analysis has developed into a powerful tool to indicate what is going on in a business or an industry but it is the "set" of ratios that counts—not any single one. One ratio in itself tells little—whether the margin is 40 or 1 per cent of sales is meaningless. A trend over a period, or a comparison with other businesses in the same industry may show something helpful, but even here one has to be conscious of all the changing components.

In the same manner the Commission's return on invested capital is only the return on the equity capital; it is not the earning capacity of the business on its assets. The rate of return on equity can be affected by the financial structure—debt vs. stocks—as well as by earnings. Such an earnings figure is not much more significant than the dividend rate. Surely the significant figure for comparative purposes is the rate on total assets employed, and for investment, the rate on the new marginal investment.

Any Royal Commission report inevitably has some political implications. But dealing only with the economic aspect of this Report it can be said that the Commission again calls attention to some significant developments in the Canadian economy. On the policy side its recommendations are not impressive and in light of the historical background could not be expected to be so—something that must have been obvious before the Commission was appointed. From the viewpoint of economic analysis the Report makes available a substantial body of competent work which will be used long after the volume of recommendations has been filed away with its predecessors.



Britain's Continuing Race Crisis

by Charles Taylor

Colored woman keeps firm hold on axe as she talks to newsmen in Notting Hill where racial trouble centres.

IT WAS AN IMPROMPTU meeting in a dingy London basement. The speakers were all colored. "The Government has turned its back on us," said one. "Police beat us up all the time," charged another. "Finding homes and jobs gets harder every day," added a third.

These charges are only partially true, but they are believed by a majority of Britain's 220,000 colored citizens, and by millions more in Asia, Africa and the Caribbean. More than a year after Britain's first race riots, the picture of a benevolent, multi-racial Commonwealth is still besmirched by violence, discrimination and official lethargy in the mother country.

Sadly, the Government has done little to remedy the basic causes of trouble—especially ignorant prejudice and overcrowded slums. Fortunately, a handful of whites and a growing number of colored organizations are tackling the problem at the source. Because of scanty funds and the lack of an over-all policy or leadership, it often seems a sisyphean struggle.

Racial trouble still centres in Notting Hill, the ramshackle part of London which saw the worst riots in 1958 and the murder of a young Jamaican last spring. Elsewhere in Britain, West Indians, Africans and Indians are integrating without drastic disturbance. But of Britain's 125,000 West Indians, one-third live in greater London, and the 7,000 in Notting Hill are the focal point of all the unrest.

Ironically, the trouble is not primarily racial in origin. Notting Hill is a vast

slum, the gutters full of garbage and the houses little more than decaying fire-traps. There are no big industries, and no incentive for people to make permanent homes. As a result, the area has attracted drifters—prostitutes and thieves, Polish and Irish immigrants and, since the war, West Indians fleeing over-crowding at home and drawn by the benefits of the Welfare State.

Inevitably, the conspicuous West Indians have attracted the pent-up social and economic bitterness of their white neighbors. They are accused of being lazy and shiftless and, in the same breath, of taking white men's jobs. Another complaint is that they drift into crime and lure white girls into prostitution. Finally, it's charged that they are slovenly and noisy, letting their homes decay and holding raucous, all-night parties.

These complaints are mainly the result of ignorance. "Most of the West-Indians are semi-skilled, and more hard working than their white neighbors," one white social worker said. "The percentage of criminals is lower among the coloreds than among the whites."

By British standards, most West Indians are slovenly and noisy. "But that's no reason to assume that every party with a record player blaring and a lot of people in fancy clothes going in and out means there's a brothel on the premises," the social worker added.

But fanned by poverty and poor housing, prejudice is still rampant in Notting

Hill. Colored spokesmen are bitter about discrimination on the part of landlords, employers and the police.

Turned away by landlords in most parts of London, most of the colored immigrants crowd into slum areas such as Notting Hill. Here, they are victimized by rent racketeers, charging up to twice the real value of a room.

"Of course, we can appeal to the Rent Tribunal," a West Indian lawyer said. "But that takes a lot of courage—too many of us have been beaten up."

When a West Indian seeks a job, he usually runs into the same unofficial color bar. Skilled workers have to settle for menial jobs, and all have trouble rising above a certain point, because most white workers won't stand for colored bosses.

Confidence in the police has nose-dived since the murder in Notting Hill last May of Kelso Cochrane, a young Jamaican carpenter. Five or six white youths seen scuffling with the victim are still at large.

"Scotland Yard says the motive was robbery, but we know it was a race killing," said Dr. David Pitt, a doctor from Trinidad who is one of the more moderate colored spokesmen and a member of the Labour Party. "West Indians in Notting Hill are frightened, and they have little faith in the power or desire of the police to protect them."

Others are more outspoken. "Every day, one of us gets beaten up by white layabouts, and the police don't do anything about it," according to Donald Ez-

London bobbies patrolled streets of Notting Hill with dogs at height of last year's riots, arrested trouble-making teen-agers.



zrico, secretary of the Colored Peoples' Progressive Association, most radical of the colored groups.

"We hear endless stories about police beating up colored people," said a social worker in the area. "They aren't all true, but we do know that colored people making a complaint at the police station are often knocked around and threatened with arrest."

With social and economic discrimination, daily fist fights and minor brawls, and always the chance of fresh riots, it adds up to a sorry picture. What's being done?

Very little, on an official level. Even the Conservative *Times* admits that following the riots, "several youths got severe sentences, and not much else was done." So far, the Government has resisted pressure to restrict immigration, traditionally free to all Commonwealth citizens, although the power to deport convicted criminals may be granted by the new Parliament.

But there has been little positive action—no legislation against discrimination, no fresh slum clearance plans for Notting Hill, and only a limited attempt to co-ordinate the activities of the Cabinet Ministers whose departments are involved.

"The Prime Minister and the Home Secretary haven't spoken out strongly enough," said David Pitt, speaking both as a Labour Party member and as vice-chairman of the British Caribbean Association, an unofficial body which includes MP's from both sides of the House. "One television talk from them would have had more effect than all the pamphlets and articles. And legislation against discrimination would strengthen the good element in the community while going a long way towards cutting down the property racketeering.

"The Government isn't doing enough to educate the public about racial matters," said an official of the Institute for Group and Society Development, largest of the voluntary social agencies in Notting Hill. "If they aren't willing to spend money on re-housing, the least they could do is spend a bit on instructing the police

in racial tolerance."

While the Government moves slowly, when it moves at all, the West Indians have been going on a spree of organizing. After the Cochrane murder, a "Defence Committee" representing more than a dozen colored organizations appealed to the Government for greater protection and picketed No. 10 Downing Street. But without an over-all policy or an agreed leader, most of the groups work separately and concentrate on day-to-day problems on a neighborhood basis.

Among the colored groups, one of the most active is the Colored People's Progressive Association. Working out of a shabby basement in Notting Hill, the Association has 300 voluntary members. As the most radical of the groups, the CPPA has received support from the Communists, but claims to be non-political. (In general, the Communists have made little headway among the traditionally anti-Communist West Indians. Most support the Labour Party, which has promised legislation against discrimination).

The CPPA concentrates on advising recent arrivals and helping others who get into trouble with landlords and police. But rousing their people is a problem. "When Kelso Cochrane lay dead in the gutter, we had an awful time begging money for a shroud," secretary Donald Ezzrico recalled. "People have been killed and injured in Notting Hill because of race prejudice but we can't raise money to print enough leaflets."

With the other groups, the CPPA supports stronger Government action against discrimination and slum conditions. "But we know there can never be legislation to make people like us," Donald Ezzrico admitted. "That will take years of education at all levels."

Everyone involved with Britain's race problem admits "it will take years" to work out a solution. But there are some hopeful signs.

Large numbers of colored immigrants have been absorbed peacefully in the London suburb of Brixton—a solid, working class area, with a strong sense of community and few of the economic and

residential problems of Notting Hill. In the tough docklands of Cardiff and Liverpool, tens of thousands of colored people have integrated over the years, mainly because of inter-marriage and the traditional polyglot nature of the areas.

There is still tension and occasional violence in Nottingham, the Midland city which also saw race riots last autumn. But there is also the "Nottingham experiment"—an ambitious scheme of educating colored leaders and co-ordinating social plans.

Even in Notting Hill, some limited progress has been made. Backed by social workers, MP's and colored organizations, several colored tenants have appealed successfully for reductions in exorbitant rents. Social workers have had some luck in drawing colored people into sporting and social clubs, but most of their white neighbors have held back. Above all, the colored groups are slowly building up a community spirit, and a sense of community responsibility, among the immigrants.

Serious obstacles remain. An extremist group called the White Defence League has set up shop in Notting Hill and is flooding the area with violently racist propaganda. Sir Oswald Mosley, the former British Fascist leader, is back in action and rousing meetings to cheering acclaim with his call to "send the colored home—all of them."

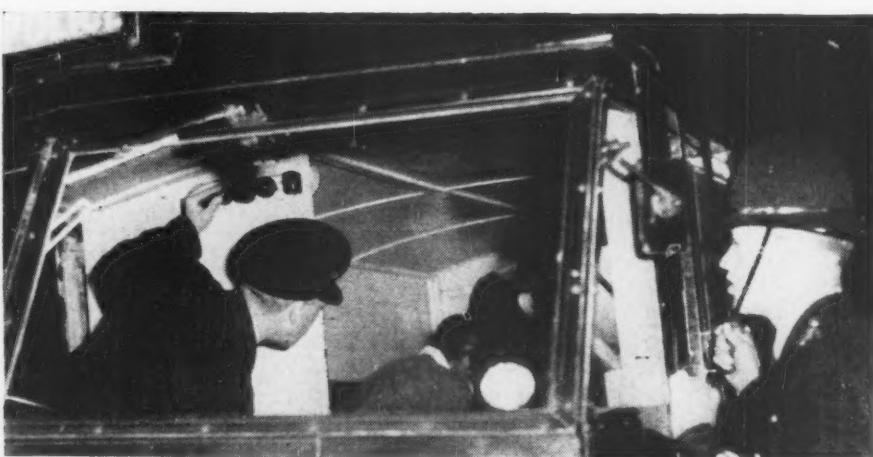
Although the Government has promised to keep watch "from day to day", there has been no move to tackle the poverty and slum conditions which underlie the discontent.

There is even mistrust and jealousy among organizations working to improve relations. White social workers say the colored groups are often too extreme, while they are frequently accused of encouraging "Uncle-Tomism".

Above all, there is the growing number of colored people. Because of the riots, the tide of West Indian immigration has slackened—6,780 in the first seven months of last year, compared to 11,770 in the same period of 1958. And for every two immigrants, there is one West Indian who goes home, attracted by improved opportunities (growing Canadian investment in the West Indies is seen as a big factor here).

But the numbers are increasing, especially since many West Indians have large families. It's thought that Britain's colored population could treble within twenty years.

Most of the newcomers will be absorbed without undue disturbance. But on the slummy streets of Notting Hill, where poverty and prejudice run unchecked, there is always the chance that any one of the frequent brawls will explode into another full-fledged riot. The result would be more black headlines around the world, and another setback for the Commonwealth ideal.



Mistrust of the police is reflected in eyes of youth awaiting questioning.



New scientific discipline known as "Operations Research" is industry's most recent tool to take guesswork out of business.

Science Copes with Business Problems

by Fergus Cronin

A COMMERCIAL AIRLINE wanted to know how often it should conduct classes for its stewardesses; a public poll was stumped by the problem of how to include in its surveys those who were not at home when called upon; a power company had to calculate the complicated process of when to put water through its generating plant at Queenston and when to put it into a storage reservoir; and an oil company was faced with an enormous outlay for more storage space unless it could better organize its inventory. All solved their problems by means of a new scientific discipline known as "Operations Research."

OR, as the process is usually called, is difficult to define. One professor calls it "the application of scientific logic to any problem where there is a multiplicity of factors". Others say that it is "scientific method applied to the solution of executive-type problems in organized systems"; "the use of science in providing executive departments with a quantitative basis for decisions"; or "the scientific preparation for decision in the face of uncertainty".

Only the word "science" or "scientific" is common to all these definitions, and,

in fact, OR might be considered the application of science to business problems.

OR had its first conscious use during the war and in the past decade has had explosive growth. At least a dozen large Canadian companies now have their own OR departments and, although there have been graduate courses in the subject for some years in the U.S. and various lecture courses in Canada, the world's first *undergraduate* course in OR will make its appearance at the University of Toronto in 1961.

The OR course will become a fourth-year option in Varsity's industrial engineering course and will be taken only after a series of rigorous preparatory courses in mathematical statistics and numerical analysis and will be accompanied by classes in controlled theory and data processing.

"Even then," says Prof. P. B. Hughes, secretary of the committee which designed the course, "it will by no means produce a qualified specialist in Operations Research, but simply an A-1 prospect for working with others in the field."

"All we can do," says Dr. D. B. DeLury, chairman of the department of

mathematics, "is give a student the tools and say 'There's the direction—keep on going.'"

OR is a logical development to cope with the growth in size and complexity of businesses. Mechanization of production has made it impossible for one person to supervise all functions of the one large organization properly. This has led to the creation of jobs such as production, marketing, finance and personnel manager. Even these functions have been subdivided, production managers, for example, being given assistants to supervise procurement, quality control, maintenance, decentralized factories, etc.

To coordinate these managerial functions appeared the executive. Here again, in the last 50-odd years, the horse has been taking the bit in its teeth. The executive now needs help in dealing with problems involving over-all company policy.

Business today has become so highly specialized that no longer is it sufficient to operate by intuition. For example, if a company has several factories in different parts of the country and several markets that might be supplied by them, the problem of taking all factors into



Dr. C. C. Gotlieb, head of University of Toronto's Computation Centre (right) explains to Prof. P. B. Hughes one operation of 650 computer used in OR course.

consideration and deciding which plants should supply which markets is best solved by OR. "Ordinary mathematics," says Prof. Hughes, "is not adequate."

It is true, he concedes, that there were lots of large and successful businesses before OR was heard of, but today a large business has to apply OR methods or fall behind competitors who do. The electronic computer frequently has to be used to handle a multitude of factors, but the computer alone is insufficient. Learning how to use it is only part of OR training.

The term "Operations Research" came about as a historical accident. The first group designed to coordinate a multitude of managerial functions was created by the British Defence Ministry in 1937 and attached to an operational staff. It came into prominence in 1940 during the Battle of Britain when England was confronted with a superior invading air power; the comparatively few Hurricanes and Spitfires had to be strategically placed so as to be most effective against the Luftwaffe, and the parallel between this problem and those faced by big corporations today is striking in this regard: the factor of probability is a major consideration.

The success of the British OR team in frustrating the efforts of the German bombers resulted in considerable publicity for the group and its title, and the latter stuck.

Inspired by results in England, the U.S. Navy used OR to find out why the number of U-boat sinkings in the Atlantic Ocean was small in relation to the number sighted by Navy planes. An OR group made a detailed analysis of the number

of German subs which submerged before a plane that sighted them could attack. It turned out that an unexpectedly high 40 percent remained on the surface. So the experts suggested that the armament of the planes be changed so as to equip them primarily to attack surface subs. Shallow depth charges and rockets were installed on the sub-hunting planes and the shallow charges alone increased sinkings by 50 percent.

Of all the OR departments in Canada, the largest and perhaps most successful is at the Toronto executive office of Imperial Oil Ltd. where a staff of 15 includes a mathematician and theoretical physicist, a research psychologist and business administration and statistician, a graduate in commerce and an agricultural economist and market research specialist.

Patrick J. Robinson, the energetic 36-year-old engineer-cum-accountant-cum-business administrator from Calgary who directs Imperial's marketing and operational research efforts, believes that in some respects Canada is in the forefront in developing OR techniques. He explained this in a recent speech before the International Conference on Operational Research in Oxford, England, when he said: "Canadians have had a unique opportunity to develop research and scientific study of operational decision-making problems . . . We may lack some of the maturity of the U.K. and the intensity of activity of the U.S., but we are benefiting from the examples of each."

A measure of Canadian prominence in the field is indicated by the fact that Robinson was asked to speak in England and also to organize orientation sessions for senior management groups in the

American Management Association in both 1958 and 1959.

One of the largest problems handled by Robinson and his team at Imperial involved one of inventory control. In 1952 the company's several hundred field warehouses throughout the country were bursting at the seams. To enlarge and modernize them would cost some \$17 million.

At the time there was no central warehouse at the company's main refinery in Sarnia. The field warehouses were the only cushion between a uniform rate of manufacture and a non-uniform rate of sales. Would it be more economical to centralize stocks? Robinson's group decided it was and set out to demonstrate why with appropriate evidence.

At the same time it was realized that as much as possible of the re-ordering process should be made automatic, using a simple set of control points for each product in the field warehouses, as well as in the central warehouse and bulk storage. To demonstrate this to management, Robinson built a "pin-ball machine" consisting of a five-by-seven-foot upright board on which little red balls were let into the top of a diagonally placed glass tube, representing additions to stocks, and withdrawn at the bottom, representing sales.

When withdrawals brought the column to a certain level, an orange light appeared, representing the order point, and when they reached a further point a red light appeared, representing the point of danger at which expediting action was called for. When order lots arrived, they fell into the tube replenishing the stock.

A mathematical model of the operation, called the Automatic Inventory Control System, was devised and in less than a week a "dry run" covering six months' operations was run through the electronic computer at the University of Toronto's



Patrick J. Robinson directs Imperial Oil's marketing and research program.

computation centre to prove the system.

After some eight man-years of effort in the manufacturing and marketing phases of the business, a 60,000 square-foot central warehouse, which included high-speed packaging facilities, was built at Sarnia for about \$3 1/2 million. A similar central warehouse was built in Edmonton. For the most part, field warehouses throughout Canada were now of adequate size, orders by these warehouses which used to take an average of 40 days could now be filled within five, less-than-carload lots were practically eliminated and the company had been saved about \$10 million.

The research group was also asked to study the efficiency of the company's service stations and it was decided, among other things — after an experimental research service station had been operated for almost three years — that some testing and training of service station operators for competitive business ability would be useful. A unique piece of electronic equipment was subsequently developed called ASCOT (for Analogue Simulation of Competitive Operational Tactics) at a cost of about \$50,000.

With ASCOT, five teams of up to three men apiece compete with one another under simulated business conditions, getting their information from separate player consoles on which they also record their decisions. Unpredictable but realistic business conditions, such as having the road torn up in front of the station, traffic diversions or unusual outside competitive conditions, can be fed into the consoles from a master control panel. The master control balances the decisions made by each of the teams and calculates at any given time the percentage of the available business each of the "service stations" would get.

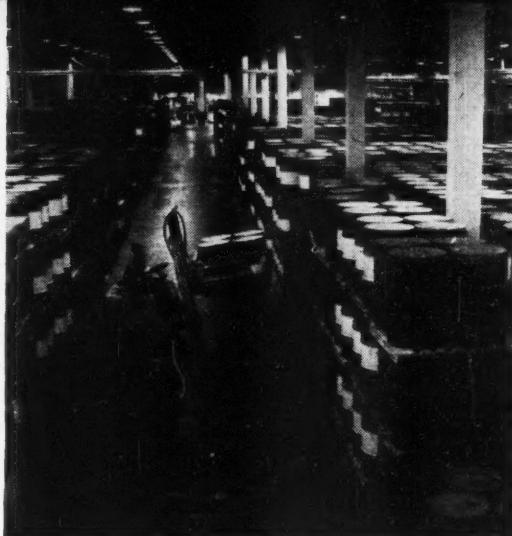
Robinson thinks that ASCOT should become for retail sales what the Link Trainer has been to the training of pilots because of its ability to provide training and compress "experience." A day's operation can be compressed into a minute, several years' of simulated service-station operation to a few days.

There are scores of different ways in which OR has been found useful. In 1953 the lamp division of General Electric initiated a five-year plan which involved hiring several more salesmen. Because of the considerable amount of money involved, however, it was decided that an OR project be instituted to study the average number of accounts that should be assigned to salesmen. The conclusion was that time spent by salesmen in the office was not used efficiently. Even with yearly increase of sales targets, it was decided no new salesmen were needed, and at the end of the first year, sales-volume objectives were met. The annual saving by not acquiring the additional number of salesmen first recommended was about 25 times the cost of the study.

OR has also been applied to solve questions like: How often should an aeroplane motor be replaced, or torn down, or rebuilt? How long should a pilot or infantryman remain in combat? How much pressure can a certain thickness of armor place withstand? How often should light bulbs, or electronic tubes, or transistors, or tires be replaced? How long should a worker be kept on a repetitive process?

A world leader in OR methods, Russell L. Ackoff, director of the Operations Research Group of the Case Institute of Technology in Cleveland has suggested that OR might be profitably applied to the cause of world peace.

"I feel strongly," he said in a recent address, "that we should try to apply OR



OR helps to prevent errors in forecasting future needs, establishes most economical warehouse stocking plans.

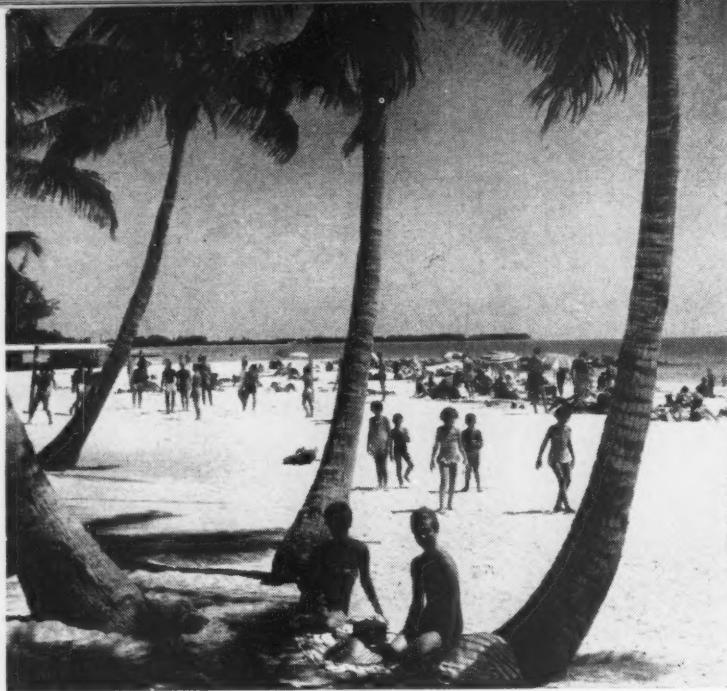
in planning the development of underdeveloped nations. It seems to me that there is hardly anything OR as a profession could do which would contribute more to the possibility of international peace and prosperity."

He referred to the way in which India had used OR for allocating national resources and added, "If other underdeveloped countries would use as competent planners as India and if they would supplement them with competent operations researchers, then, in my opinion, the term 'under-developed countries' would have to be dropped from our vocabulary in our lifetime."

Canadian experts, trained in OR techniques by the University of Toronto (or McMaster or Western who are soon to follow Toronto's example), working through the Colombo Plan, could well take the lead in this very desirable direction.



With help from OR, magnetic board and miniature models, service stations of the future are planned for greatest efficiency.



Life on sun-warmed beaches is essential part of holiday.

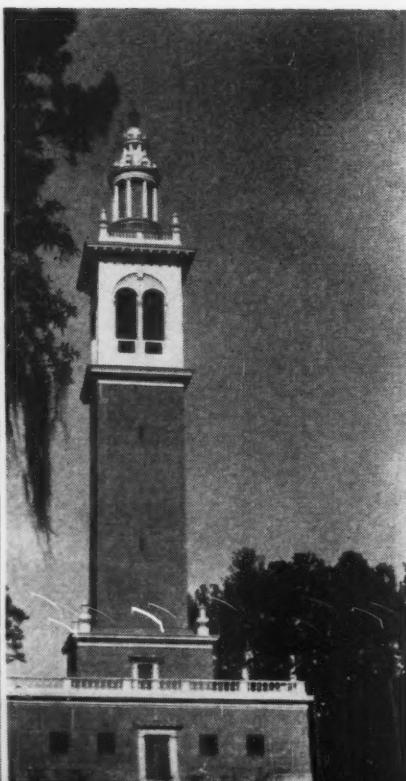


One of many garden showplaces with brilliant blooms.



Popular Fort Meyers Beach is a family resort.

Carillon tower of Stephen Foster memorial is 200 ft.



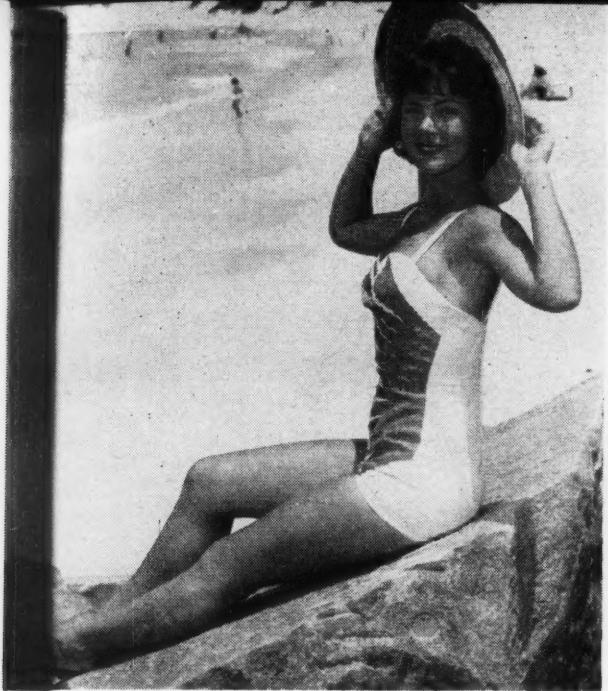
Florida's Hollywood offers all attractions, is a Canadian favorite.



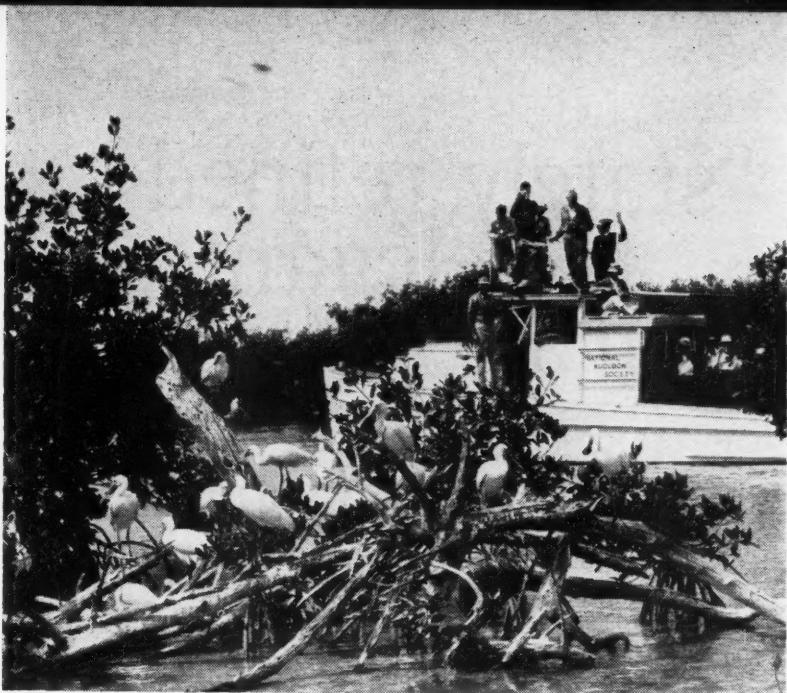
Daytona's famous beach is 600 feet wide and 23 miles long.



Florida: Canada's West



Pretty girls are part of beach scenery.

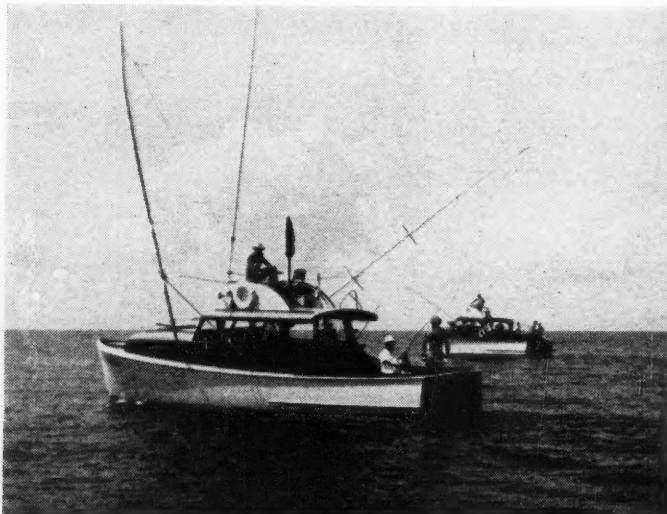


National Audubon Society tours penetrate into the deep everglades.

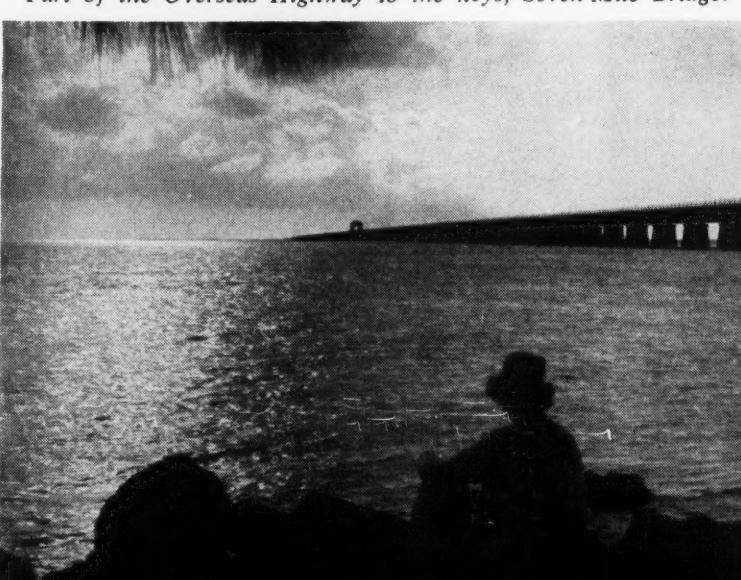
a's Winter Province



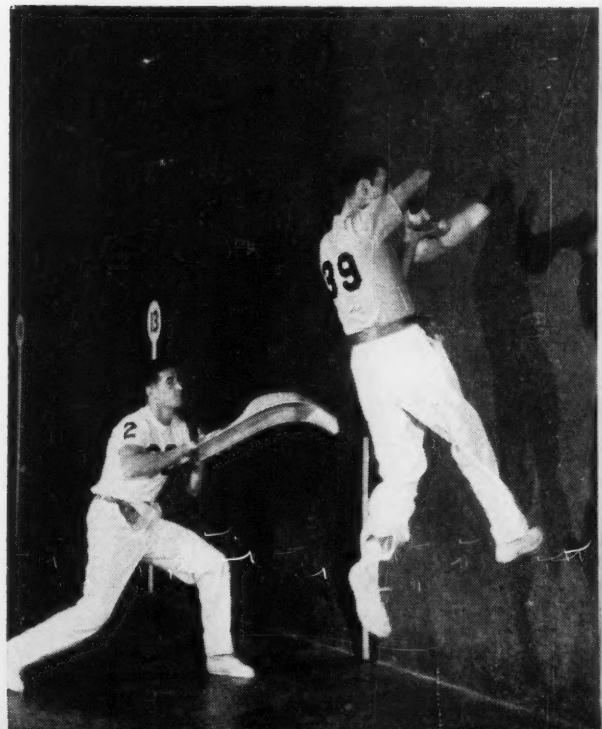
Reconstructed Spanish village of 1723 is Pensacola attraction.



Deep sea fishing boats are available everywhere.



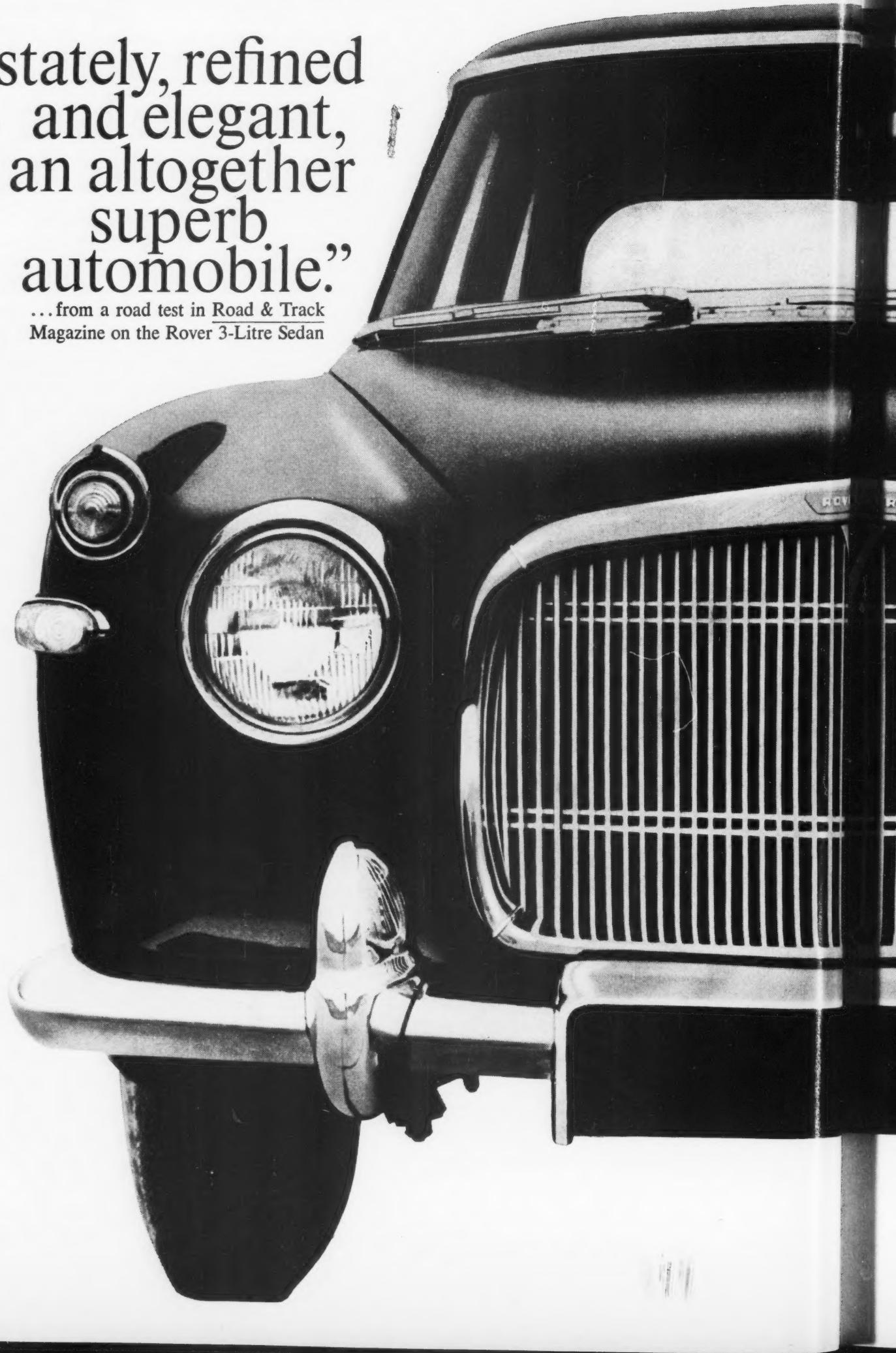
Part of the Overseas Highway to the keys, Seven-Mile Bridge.



Fast-paced jai alai is spectator sport.

**"stately, refined
and elegant,
an altogether
superb
automobile."**

...from a road test in Road & Track
Magazine on the Rover 3-Litre Sedan





The Rover 3-Litre Sedan has been designed to give many years of swift, silent, trouble-free motoring with exceptional accommodation for the comfort and convenience of driver and passengers. A detailed appreciation of the Rover 3-Litre from Road & Track Magazine is reprinted on the overleaf.

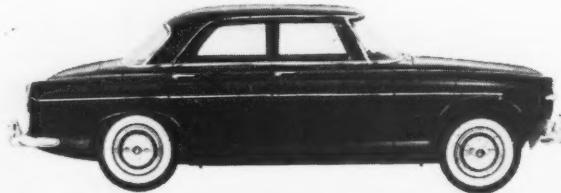
THE ROVER MOTOR COMPANY
OF NORTH AMERICA LIMITED
36-12 37th St., Long Island City 1, N. Y.
373 Shaw Road, South San Francisco, Cal.
Canada: Mobile Drive, Toronto, Ontario
156 West Second Ave., Vancouver, B. C.

A ROAD-TEST OF THE ROVER 3-LITRE

It has been over seven years since we have had a Rover to test, and fond memories of that earlier car prompted us to make a special effort to get our hands on the completely redesigned 3-litre, or P-5, model.

First impressions of a car sometimes prove wrong, but the Rover never seems to lose its charm. This one had the optional Borg-Warner automatic transmission and in driving out from the firm's new Eastern headquarters in Long Island City, we admitted (grudgingly) that the automatic had its charms—at least in heavy traffic. In fact, the one outstanding virtue of this car is its silky-smooth quietness—a feature much enhanced by the inclusion of the automatic unit. With the exception of one car (we don't mention the name, but it's synonymous with quality) this is the most refined automobile we have ever driven.

Getting down to the facts, the performance in terms of elapsed time isn't exactly brilliant, particularly after a correction for a rather considerable speedometer error that we just didn't expect in a Rover. Nevertheless, one should note that our test weight exceeded 4000 lbs. Also, as is well known, the automatic inhibits perform-



Stately, refined and elegant, an altogether superb automobile.

ance times and for that reason we have plotted the results of a British test on a similar car equipped with the 4 speed transmission, an overdrive and a 4.3 axle. The automatic transmission version still gets from a standstill to a corrected 60 mph in the respectable time of 17.7 sec, despite the fact that the upshifts occur at 4000 and 4200 rpm respectively, well below the peak power speed of 4500 rpm. (This is done intentionally to eliminate engine noise at full throttle.)

Steering is just about right for such a car as this and we liked its easy, precise feeling. Moderately vigorous cornering produces an extraordinary amount of tire howl, which may have been caused by the nearly new tire treads. There appears to be neither under- nor over-steer and, though there is more roll than we like, the rear end never seems about to let go and the handling qualities can be honestly summarized as good.

Another outstanding feature of the Rover is the Girling brakes. These are discs in front and drums at the rear, with a diameter of 11 in. The rear shoes are 2.5 in. wide and the rear lining area is 173 sq.

in., nearly as much area as some similar-weight cars have on all four wheels. A completely innocuous vacuum power booster makes the pedal light but not overly sensitive.

From a technical standpoint, the 3-litre car embodies a host of new and very advanced design features. A unit frame and body is not new, of course, but in the Rover application, extraordinary measures have been incorporated in order to eliminate the last vestige of noise and vibration. For example, in front we find a completely separate sub-frame made of welded steel sections. This carries the engine, transmission, front suspension and steering components, and is attached to the body by 6 rubber insulating mountings. The body hull itself is made entirely of welded steel, including all doors and lids. (The older Rovers used aluminum paneling on all hinged parts.) Fortunately, the indescribable thud of a coach-built door being slammed shut has been retained.

The front suspension is similar to previous Rover practice with Thompson ball joints and rubber-bushed wishbone pivots. However, the coil spring has been replaced by a Salter-type laminated torsion bar, to reduce its overall length. Rear springs are conventional variable rate semi-elliptics, but with a very unusual application of rubber at each end to improve shock insulation. Rubber is also used to insulate the steady-bearing (seated-ball-type) mounted near the center of the propeller shaft. Everything on the car that moves, shakes or vibrates is rubber insulated.

While the 3-litre engine follows previous Rover practice and uses some of the same parts, it is actually a fairly drastic redesign. Thus the ioe valve system (intake over exhaust, or F-head) is unchanged in principle—the block is iron, the head is aluminum and the pistons have the double wedge shaped dome of earlier engines. However, the increased displacement was obtained by a larger cylinder bore (from 2.875 to 3.062) and the cylinder block and crankshaft are entirely new, as a result of a change to 7 main bearings for greater smoothness. There are also many detail changes, including a new roller tappet design to improve camshaft durability as well as to bring the valve gear capability up to the higher speed potential of the new crankshaft (5000 rpm is recommended limit, not attainable on automatic transmission cars).

The big advantage of the ioe arrangement is that it permits very large valves with plenty of room for adequate water cooling passages. However, in the Rover the valve sizes and the valve timing sequence have been selected primarily to give very good low speed torque rather than high output at high speed. Note, for example, that this engine develops its maximum efficiency (torque) at only 1500 rpm, yet the torque figure is equivalent to 0.9 lb/ft

per cu in.—very exceptional in view of the peaking speed. What does this mean to the owner/driver? Simply this: in normal driving 1500 rpm is equivalent to 31 mph, and we do a lot more of our everyday driving near this speed than we do at 92 mph (4500).

As for the top end, the 3.9 axle appears to be optimum, for 4900 rpm is only a little past the peak-power point and is equivalent to 100 mph. As a matter of fact, the British test gives the timed top speed as 90.8 mph (mean) in the 4.3 high gear and 96.4 mph in the 3.35 overdrive ratio—which certainly indicates that a ratio somewhere between would give more top speed.

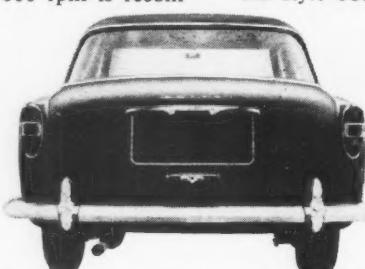
Externally, the Rover is exceptionally clean, accented by a bold grille treatment of traditional Rover shape.



The interior of the Rover is a very nice compromise between the old British school of wood and leather and near-austere contemporary. The seats are leather covered, of course, and wood trim is used sparingly. The front seat is a bench-type, and folding center arm rests are found both front and rear. Very luxurious bucket-type seats can be ordered at extra cost. The instrument panel layout is compact, properly cowled, and one of the neatest and best we have ever seen. There is a glove box and, below this, a full width parcel shelf. Immediately below the shelf, on the passenger's side, a thin drawer-like affair pulls out to disclose a well equipped tool tray. Each tool has its own foam-rubber-lined space. Large tools are clipped into place on the inside of the trunk and covered by a clip-on flap. No imaginable detail has been overlooked and no expense has been spared to make the Rover's interior a study in true luxury. Its safety features are well thought-out and the greatest possible passenger comfort is provided.

Of course, the delivered price of over \$5000 is rather steep, and Rover does have a new version of the P-4 model (with the old style body) that sells for much less.

This is the model 100 with a 2.6-litre 6 cyl engine with 7 main bearings. However, for our money, we think the Rover 3-litre is an excellent value for those who buy quality rather than price and who do not feel the need to buy a new car every couple of years. (Prices vary according to optional equipment fitted and port of entry.)



THE ROVER MOTOR COMPANY OF NORTH AMERICA LIMITED
36-12 37th St., Long Island City 1, N. Y.
373 Shaw Road, South San Francisco, Cal.
Canada: Mobile Drive, Toronto, Ontario
156 West Second Ave., Vancouver, B. C.

Ottawa Letter

by Edwin Copps

Full of Wind and Fury

ANOTHER SESSION—the third of the 24th Parliament—is now under way. Since no election is in the offing and no particularly contentious legislation is on the agenda to stir prolonged debate, conditions are right to make this a brisk and efficient session. But no one who knows how our Parliament works is expecting any such miracle. They are braced for another long siege like last year's, which dragged into midsummer before the politicians finally got bored and uncomfortable enough to go home.

The main cause of these marathon sessions is not the work load imposed on Parliament but the talkativeness of its members. They suffer from what British critic F. L. Lucas called "incurable dysentery of words." They love the sound of their own voices and, even when they have nothing to say, they cannot resist the temptation to seize every minute allowed them under the too-liberal House rules to stand up and spout sheer verbiage. In the last session of the House, their outpourings totalled some 6,000,000 words. Since about 100 backbenchers never got the floor, all this talking was done by about 150 windy members who averaged some 35,000 words—the contents of a good-sized book—apiece.

The vast majority of these interminable speeches were deadly dull. Most were delivered to a near-empty chamber during the throne speech or budget debates; largely they consisted of boasts about the glories and prospects of the speaker's home riding, ringing tributes to Sir John A. Macdonald (or Sir Wilfred Laurier), long readings from sympathetic home-town newspapers or, even worse, long quotations from their own old speeches. Few were even momentarily interesting, none was memorable. Indeed it would almost certainly be safe to wager that today, only six months after the session ended, no member of the Hansard reporting staff or the press gallery hands who had to sit through it, could recall a single phrase uttered in last year's parliamentary debate.

These insignificant speeches wasted a great portion of the session. What time remained was devoted to the really important discussions: policy announcements and interpretations of new laws from gov-

ernment benches, and critical analysis of them by Opposition spokesmen. But even in this phase of their work, when discussion should have been relevant and language precise, the members tended to verbosity and repetition.

When it comes to circumlocution, one of the worst offenders in the present parliament is the prime minister himself. As anyone who has ever heard him knows, John Diefenbaker is a practitioner of the Chautauqua style of oratory, a technique that depends for effect on flowery phrases, rhythmic sentences and constant reiteration of the main theme. This old-fashioned brand of oratory may be effective on the campaign trail but in the House of Commons, where time is more important, the verbosity of it can waste hours.

Even in the thick of debate, however, John Diefenbaker sticks to this tortuous oratorical style. In one of his speeches last year, accusing Liberal leader Lester Pearson of trying to create "fears in the hearts of the Canadian public", the prime minister returned to that theme no fewer than 24 times in his text. Here is an

excerpt of the Diefenbaker speech, an example of his repetitiveness:

"What we need today is not the kind of picayune attitude exhibited by the leader of the Opposition but more hope and less fear. The amendment is one that was conceived in fear. Fear engenders fear—I do not think it is good sense to fill the hearts of people with fear—the speech today was a sorry catalogue of the planting of fear in the hearts of people. You cannot build the cornerstone of political hopes for the future by endeavoring to place people who today have fear in a position of having greater fear, those fears created by the kind of speech that was delivered here today by the leader of the Opposition—I would suspect that the purpose would be to instil greater fear in the hearts of the Canadian public."

There are times when the prime minister is obviously carried away by his own oratory. During the last session, he frequently got up to make what seemed likely to be only an interjection, then stretched his remarks into a full speech. Once he prefaced his entrance into a debate with a promise that "I will have very little to say", but followed with some 3,000 words, the equivalent of three full columns of newspaper text.

Next to John Diefenbaker in wordage, if not in oratorical effectiveness, is Finance Minister Fleming. Lawyer Fleming's language is more precise than his leader's but he is more pedantic. When explaining one of his policies or even answering a simple question, Fleming will pour out the most detailed and elaborate exposition, coiled with statistics and documentary citations to support and clarify his position. Of all the Tory front-benchers, probably the most skilful participant in parliamentary debate is External Affairs Minister



The duller the speech the duller the needle!



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Howard Green. His rather hollow voice does not carry well in the chamber but this drawback is practically overcome by the rapt attention he gets from the House; other members know that his remarks will be pointed and brief. Tory minister Alvin Hamilton and Gordon Churchill, both ex-schoolteachers, incline to lecture the House rather than debate and their speeches, though orderly, tend to dullness. Transport Minister George Hees can get off a good, bright speech when he is aroused (as he was during the Pallett affair last year) but that is not often enough.

Although far outnumbered by the Tories, the Liberals actually have a better roster of first-rate speakers. Two former Liberal ministers, Paul Martin and Lionel Chevrier, probably rate as the best debaters in the House. Both are bilingual, erudite, have resonant voices and think fast while on their feet. Liberal Leader Pearson also belongs among the first half-dozen debaters in the Commons, although his thin speaking voice does not command quite the attention that Martin and Chevrier can draw. Another whose speeches are always far above the House's low average is Jack Pickersgill, although he, like Pearson, is somewhat handicapped by poor delivery.

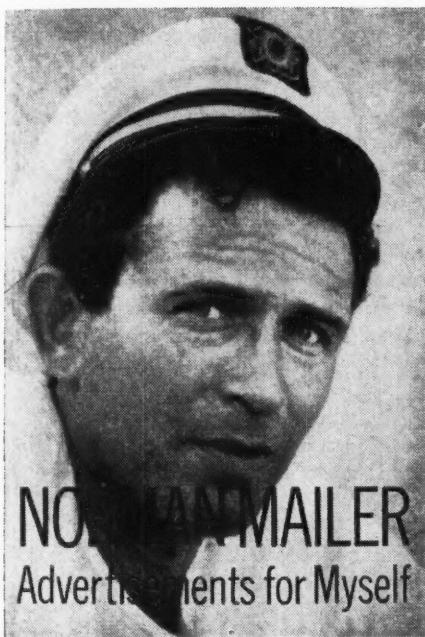
The CCF undoubtedly has the best oratorical average of any group in the House; all eight of its members can make good, concise speeches. The best of them is their booming-voiced House Leader Hazen Argue whose only flaw is an occasional tendency to forget that he is addressing Parliament, not rabble-rousing in some union hall on the eve of a strike vote.

It can be argued, of course, that the quality of the speeches made in the Commons is only of minor importance in the country's legislative process. Under our system, the key decisions are made in the cabinet chamber. They can be debated well or badly on the floor of the Commons but the Government, particularly one with the overwhelming voting strength of the present Tory administration, can enact decisions into law just as the Cabinet drafted them.

However, the rambling, often-pointless and time-consuming debates that are characteristic of our parliament today can and do have a serious effect upon the national welfare. At last year's session so much time was lost on loose talk in the early stages that some of the most important pieces of sessional work had to be rushed through with little or no consideration during the last few hectic hours of the sitting. Two key items (the Bill of Rights and the anti-combines legislation) had to be struck from the agenda altogether. Passage of these laws and any benefits that the public might have gained from them had to be postponed for a full year simply because too many of our politicians do not know when to shut up.

Books

by Arnold Edinborough



Jacket Design

"TAKE THE BEAT generation" said the man at the table next to ours the other day. "You take it" said his companion. "I don't want it". And the fact is not many people do want it. Yet it is a startling indictment of our own neurosis that we have allowed the beatniks to loom so large on the literary scene in the past two years.

Now comes Norman Mailer in *Advertisements for Myself* to analyze the kind of influence that the beatniks can have even on a man of talent such as himself (for Mailer wrote in *The Naked and the Dead* what, to many people, is still the best novel about infantry fighting that the last war produced).

Mailer currently lives in New York, confessedly and unashamedly writes under the influence of marijuana and can only get to sleep by taking a double dose of seconal. He has resorted to these dramatic and dangerous devices because he feels that society (he doesn't use such an elegant word) is killing us. And having said this he elaborates pungently:

"We have grown up in a world more in decay than the worst of the Roman Empire, a cowardly world chasing after a good time (of which last one can approve) but chasing it without the courage to pay the hard price of full conscious-

Talent Naked and Dead

ness, and so losing pleasure in pips and squeaks of anxiety. We want the heats of the orgy and not its murder, the warmth of pleasure without the grip of pain, and therefore the future threatens a nightmare, and we continue to waste ourselves. We've cut a corner, tried to cheat the heart of life, tried not to face our uneasy sense that pleasure comes best to those who are brave, and now we're a nation of drug addicts (caffeine, equanil, seconal and nicotine), of homosexuals, hoodlums, fart-faced Southern governors and a President so passive in his mild old panics that women would be annoyed if one called him feminine".

It is in order to get his courage up to shout against the oppressive weight of "the snobs, arbiters, managers, and conforming maniacs who manipulate most of the world of letters" that Mailer lives as he does, associating with the beats, getting hopped up on drugs, and concentrating mainly on sexual excitation for his writing rather than on the intellectual or even moral anger which helped to produce *The Naked and the Dead*.

Just how empty this long blast against his contemporaries is can be seen most clearly in the columns he here collects from those he wrote for a newspaper he was partly responsible for founding, *The Village Voice*.

Because Mailer thought that all syndicated columnists were fools, pimps, panders, liars or self-advertisers he set out to write a really honest column in which he would attack anything and everything. Since he partly owned the paper he felt under no such sanction as syndicated columnists do. And what emerged? A group of badly written, badly organized, intellectually barren columns as oppressive in their psychological and philosophical jargon as any directive from the Pentagon or State Department might be. (He himself admits this, which means there may yet be hope for him.)

This section of columns gives the key to the whole book. Mailer had a large writing talent which he put to good use in *The Naked and the Dead* because he was inspired by his wartime experiences.

The war was something he could comprehend and something his imagination could bite into. He could see the interaction of character formed in peace, but fired and forged in war. Far and away the best piece in *Advertisements for Myself* is "A Calculus at Heaven" which is *The Naked and the Dead* in embryo. But in trying to analyse and integrate a vision of life since the war he is unsuccessful—it is too big for him.

Even so, it is incumbent on anyone who tries to understand modern literature to attempt to understand why the hipster acts as he does. In that search for information or insight the connecting autobiographical passages that Mailer here writes are invaluable just as is the long essay "The White Negro". The title of this long examination is explained by Mailer in these words "The cameos of security for the average white: mother and the home, job and the family, are not even a mockery to millions of Negroes; they are impossible. The Negro has the simplest of alternatives: live a life of constant humility or ever-threatening danger. In such a pass where paranoia is as vital to survival as blood, the Negro has stayed alive and begun to grow by following the need of his body where he could. So there was a new breed of adventurers, urban adventurers who drifted out at night looking for action with a black man's code to fit their facts. The hipster had absorbed the Existentialist synapses of the Negro, and for practical purposes could be considered a white negro."

Mailer elaborates this theme and asserts that, since society kills, the hipster must fight it or be killed himself. All being fair in love and war, he fights it by promiscuous sex (which he equates with love) and foul railing against those with money or power, or both. The body being all-important, the mind must be made an extension of the body.

This leads to the kind of arrogant sexual athleticism which Henry Miller was writing about thirty years ago, and it leads Mailer to confine himself almost exclusively to subjects which are not normally written about at length. It is significant

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that he feels the long book he is now working on will not be publishable on this continent because of its obscenity. And if *The Time of Her Time*, an excerpt of that novel here published, is any indication of the publishable part then the rest will certainly stretch the legal limits as now defined by the U.S. Postmaster General.

The overall impression of this book is utterly depressing. Mailer had talent which he has now abused; while he rants on about the body, he is still sneakily attached to the mind. The trouble is that he doesn't prepare his mind well enough to write about the subjects which he proposes to himself and his accounts of what he does with his body, being so personal, are boring.

It is clear that Mailer is in despair with himself and transmutes this into despair for society. The brutal truth which emerges from *Advertisements for Myself* is that while Norman Mailer goes to such length to strip his talent naked, he (and we) are almost convinced that it is dead.

Advertisements for Myself, by Norman Mailer—Longmans Green—\$5.75.

The Testing Time

JOHN COTTER, at the age of thirty, comes home to Leah in New Hampshire, partly because his brother is very ill, and partly because he has "spent the GI bill". Service with the army during the war gave him his first opportunity to get away from the home town, where family, school and other associations all seemed unpleasant. His years in American universities and at the Sorbonne in Paris extended his flight. The long hot summer in Leah, after his reluctant return, is his testing time. He can't run away again; he must, by staying, come to terms with his family and the people of the town, whom he loved or hated or feared as child and adolescent.

The hot dry summer with its attendant wind brings fire to Leah and the surrounding countryside. In the conflagration, all the people of Leah are tested. One man dies by violence, some of the leading citizens are demoralized and degraded. John Cotter finds maturity through using himself to the point of exhaustion, by saving an injured man from the fire, through assuming leadership, and by discovering his own capacity to love and receive love.

Author Williams breaks little new ground in this book. He is not an innovator, but his style is distinguished by clarity, pith, vigor, and sometimes beauty. His theme is not new, but it is important, and he has illuminated it with the candor and intensity of his own thought. N.A.F.

Town Burning, by Thomas Williams—
Brett-Macmillan—\$4.50.

Ghost Laying

A CASTLE in Norfolk, divided into two parts, one inhabited by Lord Paradine and his family and friends, the other by paying guests who make it possible for the Paradines to go on living in the manner to which they are accustomed, is invaded by ghosts and poltergeists. Too many ghosts, in fact. There's a nun who walks at night, and who attacks with icy hands the beauteous Susan, American friend of Lord Paradine's daughter, Beth. A harp plays by itself in a locked music room. A dead rabbit appears on a dinner plate; a dressed chicken, rocks, vases bounce into a bedroom through closed windows.

In desperation, Lord Paradine consents to call in the noted ghost breaker, Alexander Hero. He, in turn, calls for the help of his step-sister, Lady Margaret Callander, photographer extraordinary. Between them, they manage to flush out the poltergeist, and to identify the ghosts, just in time to prevent the whole castle from going up in flames.

Paul Gallico is a master at spinning this kind of yarn, and at weaving in all the things which should make it a book club choice: lots of suspense; young love, made sweeter by early frustrations; lashings of society and titled people; fascinating "older" women; unrequited love, not tragic; a hint of an illicit sex relationship that leads to attempted murder. N.A.F.

Too Many Ghosts, by Paul Gallico — Doubleday — \$4.50.

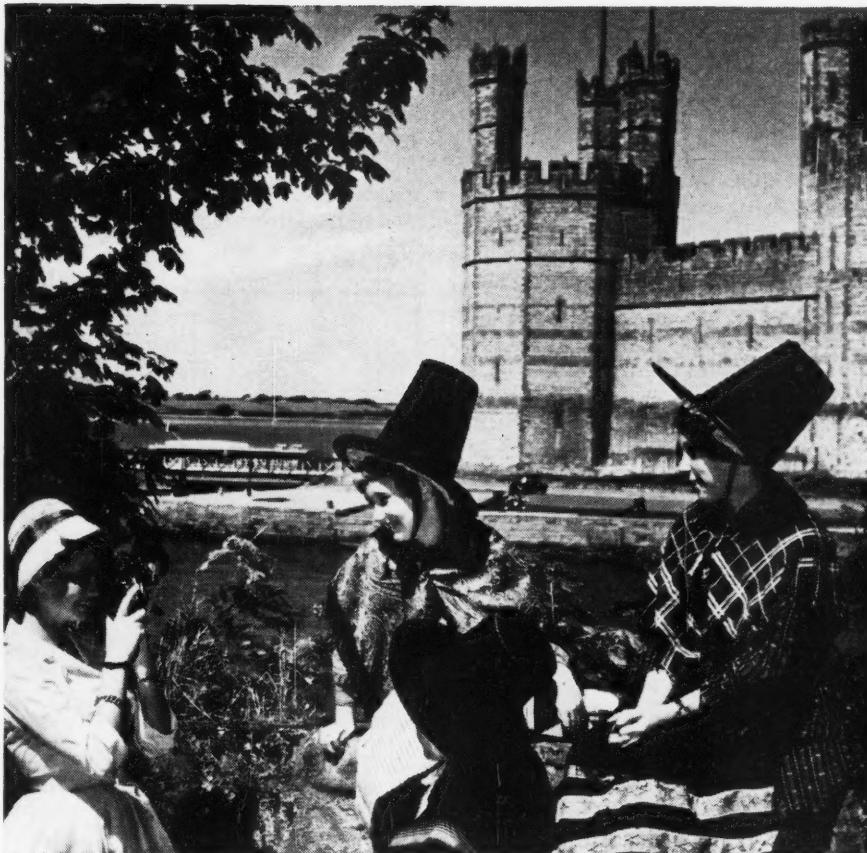
Parochial Fog

THE ESTABLISHED CHURCH still appears to loom conspicuously in the minds of English women writers. Sometimes they treat it with gay and tender disrespect, (e.g. *The Towers of Trebizond* by Rose Macauley) and sometimes they approach it, like Pamela Hansford Johnson, with grave and critical concern. They seldom fail to take it into account.

The hero of Miss Johnson's most recent novel is an Anglican clergyman, unhappily married to a woman who is beautiful, frigid, and abysmally silly. He is further afflicted by poverty, an ailing mother-in-law, and a household of quarreling relatives. Inevitably he falls in love with an attractive woman parishioner, and presently is in conflict with his board members, then with the upper hierarchy of the Church.

The author treats her hero with compassion and sensitivity but the sheer parochial dullness of her material invades the human story and in the end even the author's gift of sharp feminine scrutiny is muffled in the general fog. M.L.R.

The Humbled Creation, by Pamela Hansford Johnson — pp. 345 — Macmillan — \$3.25.



At Caernarfon Castle in Wales

How to holiday in Britain

on a \$500 budget

Here's something to bear in mind when planning your next vacation: *You can enjoy ten unforgettable days in Britain—and your trip there, fare both ways, included, can cost you less than \$500.* Just figure it out like this—round-trip economy fare from Toronto, \$372 by surface (\$459 by air)* and; \$8 a day to take care, comfortably, of your accommodation, meals and travel whilst you're there.

Time your trip for Spring or Fall—when the weather's right for sight-seeing . . . when reservations are easy to make at advantageous rates . . . and when the calendar is crowded with exciting events. Start planning your trip to Britain now. Take the first step by seeing your Travel Agent, or by writing for free literature to the British Travel Association, Dept. SN160, 90 Adelaide Street West, Toronto, Ontario, or 661 Howe Street, Vancouver, British Columbia.

*From Vancouver \$496 by surface; \$644 by air.



On Holiday in Britain. You'll see a host of famous places (like St. Paul's Cathedral, London, pictured above) . . . You can visit your friends . . . catch up on the theatre . . . shop for bargains.

C O M E T O B R I T A I N

Chess

by D. M. LeDain

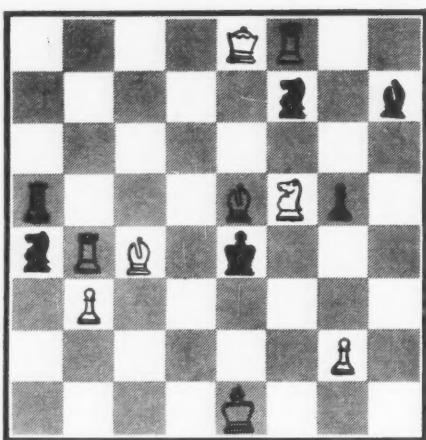
MIKHAIL TAL, 23-year-old Latvian-Russian grandmaster, has earned the right to a match for the world title this year with Mikhail Botvinnik, the present holder. Tal secured this position by winning the Challengers tourney, held in Yugoslavia, in competition with seven other qualified grandmasters. The challenger's role is attained through a progressive three-year cycle of events under the control of the International Chess Federation (FIDE). White: M. Tal, Black: V. Smyslov (Challengers ty., 1959)

1.P-K4, P-QB3; 2.P-Q3, P-Q4; 3.Kt-Q2, P-K4; 4.Kt-KB3, Kt-Q2; 5.P-Q4, QPxP; 6.QKtxP, PxP; 7.QxP, KKt-B3; 8.B-KKt5, B-K2; 9.Castles, Castles; 10.Kt-Q6, Q-R4; 11.B-QB4, P-QKt4; 12.B-Q2, Q-R3; 13.Kt-B5, B-Q1; 14.Q-KR4, PxP; 15.Q-Kt5, Kt-R4; 16.Kt-R6ch, K-R1; 17.QxKt, QxP; 18.B-B3, Kt-B3; 19.QxBP!!; Q-R8ch (best); 20.K-Q2, RxQ; 21.KtxRch, K-

Kt1; 22.RxQ, KxKt; 23.Kt-K5ch, K-K3; 24.KtxP(6), Kt-K5ch; 25.K-K3, B-Kt3ch; 26.B-Q4, Resigns.

Solution of Problem No. 235 (Sardotsh), Key, 1.Q-K5.

Problem No. 236, by L. I. Loschinsky (1st prize, Usbek Jubilee, 1955).
White mates in two. (9 + 6)



Puzzler

by J. A. H. Hunter

"TRADING STAMPS!" exclaimed Ruth, looking up from her newspaper. "I don't know why people fall for such a gimmick."

"That from you! What about the old business of pricing at a few cents below the even dollar?" her husband asked. "I've known you say a dress was only about nineteen bucks when the tab said \$19.95."

Ruth didn't deny it. "That's quite different," she told him. "Those odd cents make quite a saving. Like last week when I bought all those things for the kids at four prices: \$3.97, \$2.97, \$1.97, and 97¢."

"I remember. You spent \$49.49, and don't tell me you saved money by spending it." Doug chuckled. "You might have bought less if you'd seen the prices in even dollars." He could have been right. But do you know how many items Ruth had bought? (118)

Answer on Page 48.

Hippity-Hop

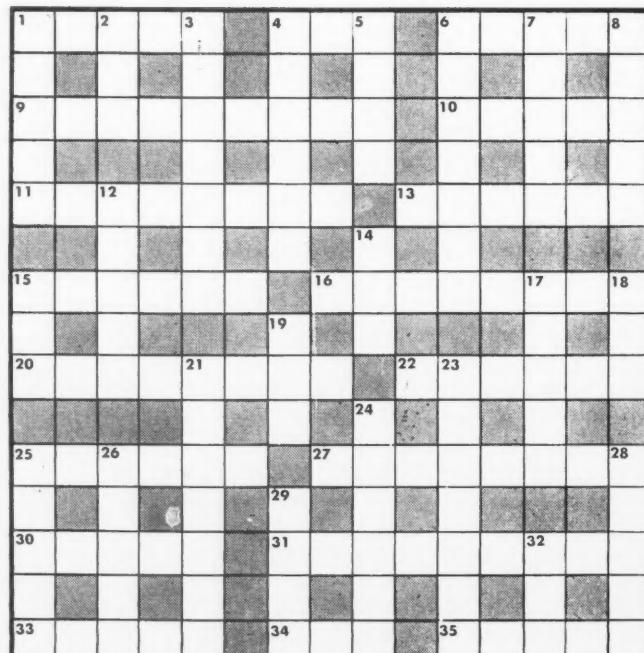
by Louis and Dorothy Crerar

ACROSS

- 1, 18, 15D, 14, 1D, 18, 6. It appears the wrong way to rear the young can't be beaten. (5,3,3,3,5,5)
- 4 Can't be paid until I go in. (3)
- 6 See 1A
- 9 Drove badly with a spare inside, worn out. (9)
- 10 Liquid diets come and go? (5)
- 11 Arsenic was substituted for it in a Broadway play. (8)
- 13 This sickness kept the young chap in a month. (6)
- 15 Do this to the last of 7 to get help. (6)
- 16 No place for pink teas! (8)
- 20 Don't let me take everything to heart! (8)
- 22 In Russia it's plain to see one step is not enough to get over it. (6)
- 25, 19, 18, 24. In other words "Uneasy lies the head that wears a crown" if it referred to a 24 monarch. (2,4,3,3,6)
- 27 The boy who took his harp to the war! (8)
- 30 What a state for potatoes to be in! I'd a hoed them! (5)
- 31 The tree bears fruit. Tough eating, no doubt. (3-6)
- 33 An unusual pet, but the landlady never appears without it. (5)
- 34 The French take this to extremes in 33. (3)
- 35 One characteristic of a traitor. (5)

DOWN

- 1 See 1A
- 2 Both this and 4D should have a good head to satisfy a fussy 23. (3)
- 3 See 5 (7)
- 4 See 29
- 5 This bird never did fly, and now, being 3, never will. (4)
- 6 For pussyfooting? (7)
- 7, 17. On which the Delhi News is printed? (5, 5)
- 8 Though gloomy, the sky is clearly seen. (5)
- 12 Necessities of life for a politician. (5)
- 14, 15. See 1A
- 17 See 7
- 18 See 1A
- 19 See 25A
- 21 Was the girl roped-in this way? (7)
- 23 He stops to change before visiting the tavern, perhaps. (7)
- 24 See 25A
- 25 One is upset by it often. (5)
- 26 Maria takes and makes off with what the Spaniard 21 with. (5)
- 28 A catalogue of this composer's works, by the sound of it. (5)
- 29, 4. That Old King who carried bags and wrote music? (4, 6)
- 32 A bit of learning straightens 2 out. (3)



Solution to last puzzle

ACROSS	25 Accra	6 Operas
1 See 27	27, 1. In the same boat	7 Combining
5 Tom cat	28 Spokesman	8 Tenants
10 Straw hats	29 Goatee	9 Asking
11 Elman	30 Seashore	15 Orchestra
12 Easel	13 Imitation	17 Steamers
14 Stonehenge	14 Stonehenge	18 Cutting
16 Kits	DOWN	20 Artist
18 Cock	1 Sisters	21 Explode
19 Watertight	2 Marks	22 Trainee
24 The Big Top	3 Bewilder	23 Nicene
	4 Avarice	26 Carne (485)

Films

by Mary Lowrey Ross

The Daydream of Violence

AMERICAN LIFE as presented by Hollywood must be a source of great perplexities to foreigners, particularly to those foreigners who haven't grasped the first principle of American production. Hollywood's business, as Hollywood has always seen it, is to entertain rather than to improve the world, and it will seize on any material for its special purpose. The least of its concerns is improving the world's opinion of America.

This point of view is often deeply shocking to patriotic Americans. During a recent *Small World* program, Miss Hedda Hopper pointed out that *Blackboard Jungle* led many people in South America to believe that this lurid exposé represented a true picture of secondary school education in the U.S.A. From the Hopper point of view the picture, obviously, was little more than a piece of scurrilous propaganda in reverse. This left Miss Agnes de Mille, her fellow-guest on the program, a fine opportunity to point out that the outside world was far more likely to applaud the native courage and candor that made such productions possible.

Apparently it didn't occur to either of Mr. Murrow's guests that these high-minded principles had very little to do with the production of *Blackboard Jungle*. The men who made the picture weren't interested in turning out a story based on the tradition of the Little Red Schoolhouse, and they were even less concerned with the little red editorials that *Blackboard Jungle* was likely to inspire in areas hostile to the United States.

They simply wanted to make the kind of picture that millions of people would want to see. This may not be an ideal formula, but it is one that liberal-thinking people are bound to endorse, since it is better for people to see the pictures they want to see than to accept the alternative and see only the ones selected for their own good by authoritarian government.

The average movie-goer doesn't go to the movies to see good Americans. He goes to see good movies—i.e., movies that are filled with interest and excitement, and are peopled, as often as not, by bad Americans of every variety, by hoods and hoodlums, gangsters and bank-robbers and paranoids. Films and characters of this sort aren't likely to reflect American life to anyone but a fanatical Marxist. Actually they represent about the only form of violence the average stay-at-home American is likely to encounter in a life-time, and this may be the reason he takes to them with such avidity. Like Westerns, they are simply part of the American daydream.

Violence, however, is not enough. There is sufficient brutality in *Odds Against Tomorrow*, for instance, to pack half a dozen films, but the picture is likely to leave you with nothing more than a dull feeling, as though, like many of the characters involved, you had been hit ritually on the back of the head. With the exception of one unhappy wife who has tried to elevate herself by joining the steering committee of the P.T.A., everyone in *Odds Against Tomorrow* be-



"Carry On Teacher"

Felicity Wheeler and Leslie Phillips

longs in the shadier regions of the underworld.

There is a negro singer (Harry Belafonte) so hopelessly committed to his bookie that he is prepared to take the risks of bank robbery. There is rabid negro-hater (Robert Ryan) who is ready to sacrifice his race-principles long enough to take a hand in the hold up. The organizer of the scheme is an ex-policeman whose retirement-hobby is dreaming up large-scale crime. Two desperate and irrelevant blondes (Shelley Winters and Gloria Grahame) share the attentions of bank-robber Ryan. All these people are fated to come to a bad end; in fact the note of doom sounds so incessantly in the script that every other sound effect is superfluous.

Following Miss Hopper's lead I tried to see this nest of simple folk through the eyes of a South American movie-goer. It was hard to believe either that he would accept them as typical citizens of the U.S.A. or that he would be particularly stirred by their precisely-timed and organized ruin.

Among the actors involved here Robert Ryan comes closest to a characterization. It is a performance he has often given, but it still keeps its frightening edge and fury. Harry Belafonte displays the looks, authority and style that so often substitute on the screen for effective acting.

The British studios appear to be taking it easy these days, turning out whole cycles of slapstick comedy. Thus *Carry on Teacher* follows on the heels of *Carry on Nurse*, which in turn succeed the successful *Carry on Doctor* series. While *Carry on Teacher* probably had the benefit of some sort of script it looks most of the time as though it had been as wildly improvised as an old Keystone Cop comedy. Such elements of plot as exist are subordinate to the comedy possibilities inherent in breakaway furniture, tearaway pants, and buckets of loose plaster. The cast is made up largely of unknowns, hired apparently on the basis of durability.



Harry Belafonte: Burning gas makes skin the same color.

Research

by R. U. Mahaffy

Keeping Wood in the Picture

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The answer to these threats is more research and the recently completed Forest Products Laboratories of Canada in Ottawa shows that research is unremittingly carried on.

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Forest products research, however, is not only important to retain international markets; it is equally useful for the small operator. There are nearly 3,000 sawmills in Canada whose output is under \$10,000. In the furniture industry, 1,962 plants make products worth over \$300 million; 1,781 sash, door and planing mills produce \$224.5 million in a year; 27 hardwood flooring mills have a production of \$15,509,287, and 77 veneer and plywood mills turn out products with a selling value of \$121 million.

There is also a large miscellaneous group of wood-using industries making beekeepers' and poultrymen's supplies, barrels, excelsior, lasts, trees and shoe fittings, morticians' goods (\$10 million), woodenware (29 plants), and wood turning (64 plants).

Some of these smaller wood-using industries are just beginning to make use of technological advances that were, if not pioneered, at least well known to the Forest Products laboratories years ago.

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This is called dielectric heating, and the principle is that wood, being a non-conductor, allows the heat generated by the radio-frequency power to concentrate in the glue lines. The bonding cycle — the time it takes to glue the assemblage together—is reduced to minutes instead of hours.

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Although developed primarily for plywood manufacturing plants, both the method and the device, or minor variations, could be used to detect hidden flaws in other materials, such as curved plywood boat hulls, honeycomb-core panel, sandwich construction, overlaid panels, particle board and other multi-layer combinations of wood, metals, and plastics.

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Medicine

by Claire Halliday

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Theatre

by Hugh Thomson

The Phantom of the Opera

THE SCENE IS the Metropolitan Opera House and the work drawing to a close is Verdi's *Rigoletto*, the story of the wicked court jester whom poetic justice overtakes in the end. He is prostrate before the corpse of his daughter whose murder he has unwittingly accomplished, and as the orchestra thunders out the motif associated with the curse on him, the Met's gold curtain descends. The conductor makes his way backstage and joins the stars in the curtain-calls. It is custom, since he was the general of the performance.

Nobody realizes his chief staff-officer is beneath the stage preparing to leave by a side door. Who is this senior officer who slips away unnoticed? To the audience he was the little man who wasn't there, but to the artists bowing on the stage above he has been the life-preserver throughout the performance.

He is Otello Ceroni, "the prince of prompters," who for 55 years has served in the world's opera houses as French horn player, boy and man, and as prompter; and in the latter, highly specialized work he is regarded as the best in the business—"the Toscanini of prompters." He has been "in the box" 30 years at the Metropolitan Opera House.

Ceroni is a 67-year-old bachelor, a man of medium height, white-haired, wears horn-rimmed glasses and is highly excitable.

He admitted his "tendency to nerves," aggravated by seven years' service in the Italian army, drove him from the French horn to the prompter's box 40 years ago. Once in that spot just over the footlights at centre stage, however, he is master of all he surveys. And the stars know it: there is not one of them who would not get down on one knee (a difficult attitude for many of them) and thank Ceroni for saving his or her artistic face on more than one occasion.

Maestro Ceroni prompts in five different languages in 200 operas. Each season in the Metropolitan he is the safety-belt to 160 performances of 15 different operas. When the Met. has closed its season in Manhattan and its spring tour of the States and Canada is over, Ceroni flies to Buenos Aires where he slips up into the prompter's box of the Teatro Colon and presides over 60 more pro-

ductions of 10 different operas. When you realize this heavy schedule has been going on for 30 years, and before that he prompted in his native Italy's opera houses, you have an idea of the vast experience and authority he has in his calling.

"The first opera I prompted was *Tosca*," he recalled. "I felt I had been prompting all my life. Some of us were cut out to be one thing, and when we are fortunate



Ceroni: "Into the wolf's mouth".

in discovering it, we realize at once it is our métier. This was my good fortune."

He explained his job is largely anticipating snags. If a prima donna appears sick, disturbed or otherwise distracted, he must redouble his vigilance over her. He must not only have the scores of 200 operas by heart and know all danger spots in them, but must spend most of the time looking up at the mouths of the singers for distress signals which, he pointed out, "can loom up without warning in a performance that has been going perfectly."

With the stage lights on full glare, it is often hard for singing actors and actresses to watch the conductor. They can always see the prompter, who has a rear-vision mirror on the cover of the footlights so that he may follow the beat and cues from the maestro on the podium. Ceroni, therefore, not only watches the traffic on stage but the officer over his shoulder directing it.

The drama of Ceroni's job begins when he passes under the stage and through the doorway leading to his box over which is written, "In Bocca al Lupo" —

Into the Wolf's Mouth. This is the traditional salutation to an opera performer about to go on, like "good luck." He dons his black smock and climbs up into the box. With the footlights on either side of him and the light from his music-stand reflecting up on his face from the outspread score before him, he looks like a disembodied head at mid-stage — the phantom of the opera.

His work is not without its occupational hazards and indignities. A prima donna is standing directly before his box. On strides her tenor and she plays hard to get. As he sings protestations of his undying love, she turns about with her ample gown afloat and sweeps clouds of dust into the upturned face of the poor prompter. "They say a man must eat a peck of dirt before he dies. I have consumed an acre!" he laughed.

He brought out some of his well-thumbed scores. In *Faust* and *Carmen* he has written on certain pages, "Attenzione alla spada": Look out for the sword. During these dramas swords are splintered in duels and this is Ceroni's cue to duck the splinters. He has written "Attenzione al piatto" at one point in that protracted scherzo which is the second act in the Latin Quarter on Christmas Eve in Puccini's *La Bohème*. It is his memorandum to himself to beware of a dish which the little spitfire, Musetta, hurls to the stage in a burst of temper.

But such flying hazards are nothing compared to the danger on the hoof in Moussorgsky's *Boris Godunov*. Maestro Ceroni has inked in heavily on one page of that score, "Attenzione al cavallo," to remind him to keep a weather eye on the horse though a scar on his forehead reminds him equally well. During one performance, the horse edged over so close to the box that Ceroni instinctively ducked and gashed his forehead on the edge of the music-stand.

"It almost knocked me out. In one blinding flash I felt the horse had dropped in on me, feet first! I shook off the blow but spent the rest of the act stopping the blood with my handkerchief," he related.

The invisible man who never takes a bow, Ceroni did once make a critic's review during a Metropolitan Opera spring engagement in Boston. He was guiding a performance which developed into a prompter's nightmare: everything suddenly went wrong. One of the principals jumped his lines and threw his colleagues off completely. Ceroni could see the frantic, exaggerated gestures of the conductor through the rear-vision mirror. It was up to the prompter to restore order, and so he had to sing out the lines to the bewildered stars until they found their bearings.

Next day, a critic closed his review: ". . . Generally speaking every one was in excellent voice, particularly the prompter!"



"Smiling the same smile in Spain as in Karachi and Kabul."

Television

by Mary Lowrey Ross

Journey Into Understanding

ON THE EVENING of Mr. Eisenhower's arrival in Paris a group of Press correspondents gathered to assess over television the results, to date, of the President's journey into understanding. On the whole they appeared to agree that if the Presidential trip had done no great good, it had done no particular harm. Any talk of disarmament, however vague, was better than discussion of its opposite. The President's moderate approach had at least corrected some of the more disturbing impressions left by the late Mr. Dulles. At best, Mr. Eisenhower's journey into understanding hadn't involved him in any disastrous side-trips into East-West misunderstanding.

If there were misunderstandings at the opening of the journey, they were occasioned to some extent by the commentators themselves. For instance, in describing the President's enthusiastic Indian reception they took occasion to point out that India shared with the U.S.A., and presumably with Mr. Eisenhower, the same history of escape from the bonds of British colonialism. The British Press retorted promptly with headlines announcing "Ike Fails to Ring the Bell", and "Eisenhower Tour Fails Embarrassingly".

To the stay-at-home television viewer however, it was difficult to detect signs either of exuberant welcome or embarrassing failure in the Indian reception. The crowds were large, and largely silent. They arrived by bus, train and ox-cart — the Government had taken pains to insure an impressive turnout — and they waited humbly by the roadside to receive the Eisenhower *darshan* as the Presidential car and its escort swept by. As for Mr.

Eisenhower, he made little attempt to dramatize the occasion. Serious and detached, he presented himself as a man far too deeply concerned with his mission to turn it into a public performance.

In New Delhi, the President was entertained by a group of native dancers. Gravely adjusting his glasses, Mr. Eisenhower gave the troupe exactly the courteous attention the occasion called for; no more, no less. One was naturally reminded of the pleasure Nikita Khrushchov had shown in watching the American can-can, and the even greater enthusiasm he had displayed next day in denouncing the can-can as immoral.

As commentators were quick to point out, Mr. Khrushchov, in his capacity as travelling internationalist, had put on a much livelier show than Mr. Eisenhower. Mr. Khrushchov's progress was marked everywhere by sallies and extemporizations. Mr. Eisenhower stuck steadily to his prepared text. The Soviet Premier varied his pace and approach from hour to hour and sometimes from minute to minute, and managed to keep his hosts in a continuous state of watchful suspense. The U.S. President maintained through the whole journey the equanimity of the well-bred week-end guest.

And while the Khrushchov tour abounded and frequently bristled with incident, the Eisenhower journey was so free of anything untoward that the Press in sheer desperation took to describing the number of saris purchased by the President's daughter-in-law, Mrs. John Eisenhower. The general agreement seemed to be that while Mr. Eisenhower was sincere, well-meaning, and genuinely concerned

with East-West tensions, Mr. Khrushchov was the man that people liked to watch.

By the time the Eisenhower itinerary reached Paris public apathy could no longer be ignored. A flashing bodyguard with drawn swords was on hand to meet the Presidential train, but there was nobody to guard against in the station and there were few in the Paris streets. As the commentators explained it, France under the de Gaulle administration was enjoying a wave of prosperity and the people of Paris were far too busy with Christmas preparations to bother with distinguished visitors.

Mr. Adenauer and Mr. Macmillan arrived and were greeted by General de Gaulle, the photographers and the Press. Pictures showed the public smiles of Eisenhower and Macmillan, the closely locked faces of Adenauer and de Gaulle. The President was still smiling when he landed in Spain and was met by General Franco, and it was much the same smile as the one that had lighted his face in Ankara, Karachi and Kabul and would light it the following morning in greeting King Mohammed V. of Morocco.

It wasn't till the Presidential plane landed on American soil that the smile broadened to the familiar Ike grin. Everyone, including Mr. Eisenhower, appeared to be happy to have the trip over with.

What had been accomplished by the journey into understanding? "Personal diplomacy can be an awful waste of time," said an American Press correspondent, relaxing in the Paris press room. "Nothing was done here that couldn't have been done in the respective capitals". Most of the details had been worked out before the President's arrival in Paris, and "anyone who saw anything fresh in the situation simply hadn't done his homework". There were a few murmurs of disagreement, at this, none of them very vehement. Meanwhile it had definitely been decided to hold the Summit Meeting in Paris in April and put the question of disarmament at the top of the agenda.

It will be interesting to see how the Parisian public responds to Nikita Khrushchov.



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Insurance

by William Sclater

Government Auto

Would you be good enough to advise me on an insurance problem on which I have different answers from different insurance companies? I am a federal civil servant who drives a government automobile to and from my residence daily, on long trips on government business, and also use it for a small amount of pleasure driving. To protect myself with the government car I have a driver's policy for \$50,000, \$100,000, \$5,000 at a cost of \$30.24 per annum which is an interior of B.C. rate. I have now purchased an older automobile for myself but still wish protection on the government car if I use it for pleasure at any time. The policy on my car is for \$50,000, \$100,000, \$5,000 with no collision, fire or theft, and the premium is \$44.80.

I would like to know (a) Does the policy on my own car cover me for public liability or property damage or both while driving the government car on business or pleasure? (b) What is my cheapest way of obtaining coverage for both cars? I do not need coverage while driving the government auto on business although it is desirable. (c) There is only my wife and I driving my own auto, so is there a company which gives a rate for this?

(d) My agent states that if I take out a business policy at \$75 premium I would be covered for both cars. (e) Another company states that the present policy on my own car covers me for public liability on the government car. Is this true? (f) The car is in my wife's name. Should I change it to be under my name? Your consideration of the problem would be much appreciated as there are many of us concerned.—S.S.C., Vancouver.

I think one basic factor is escaping attention here and that is the fact that a government car furnished for regular use is not covered under the policy. With that in mind here are the answers: (a) The policy in your wife's name does not cover you while operating a government car for business or pleasure. (b) The cheapest way of obtaining coverage for both cars is the way in which the vehicles are now insured. (c) There is in effect a select form of rating where there are only two operators of the vehicle and no male drivers under 25. However certain other conditions must

be met before this Select Rating can be given.

It is suggested you contact the company insuring the automobile registered in your wife's name and find out if she can qualify for this Select Rating. (d) I presume you mean taking out a business policy on the car owned by your wife. Even if this was done the policy would not extend to cover the Government car. (e) The policy on your wife's car does not cover the government car. (f) It is up to you whether the registration of your car is in your wife's name or yours. As it is now insured in the wife's name—the owner of the automobile—that means the wife could also be sued by a Third Party as well as the driver of the vehicle.

Passenger Hazard

Your remarks about driver responsibility prompt me to ask what my position would be if I was in an accident and some of the people in my car were injured? My car is a private passenger auto, a 1957 model, but I am in a car pool and drive three people to work and home at night and they pay me a weekly fee.—J.D., Port Credit.

If you receive compensation for carrying passengers in your car to and from work then you are liable in the event of an accident and they may take action against you. I would suggest you see your insurance agent and arrange to have passenger hazard coverage added to your policy. This is an inexpensive addition which will provide you with coverage, within the prescribed limits, against this hazard.

No Liability

When I pick up a hitchhiker or give someone else a lift in my car am I liable if there is an accident and any such people are injured? Is there any special insurance I need for such a possibility? Does my present \$100,000 inclusive limits policy cover me?—J.D., North Bay.

While there is a passenger hazard as part of the regular auto policy you have no liability under normal circumstances in

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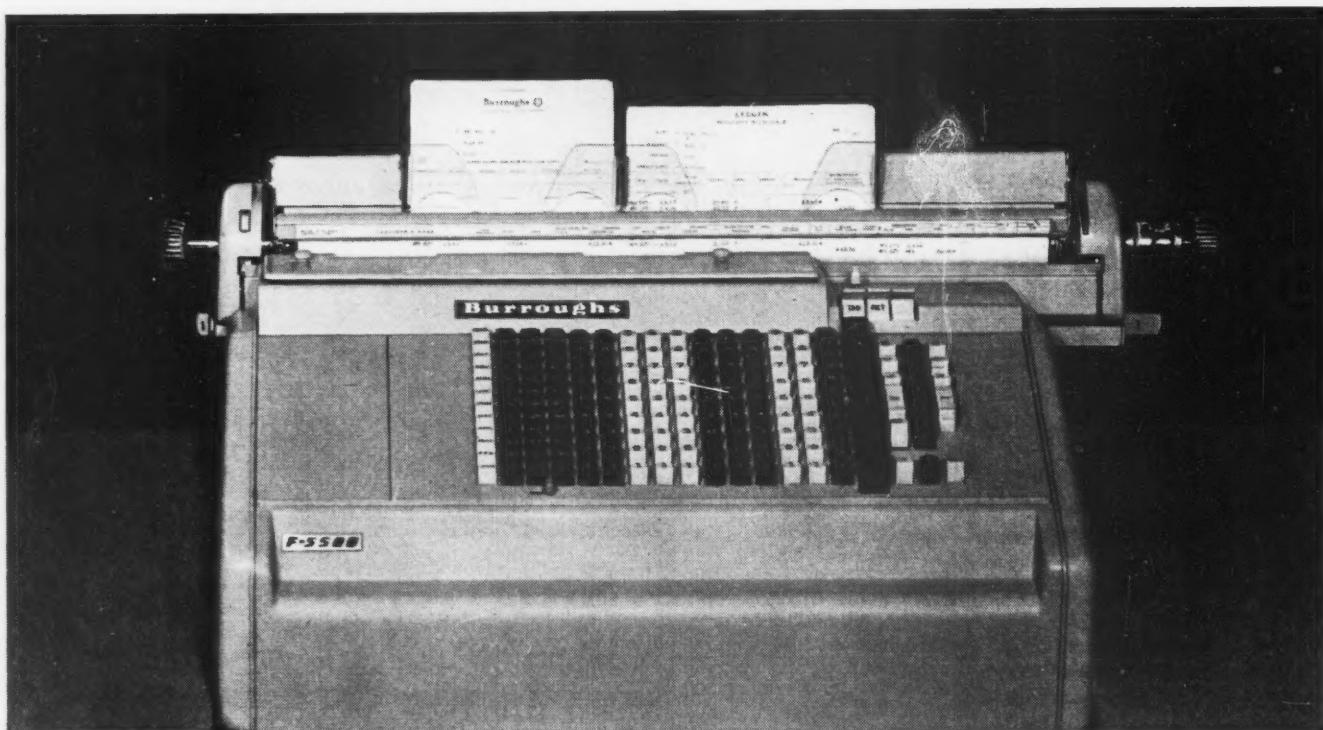
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Ontario. The passenger hazard is there in case you are driving in Quebec or in some U.S. state where the driver may be held liable. You may, if you wish, add a medical expense coverage to your auto policy which will reimburse anyone injured while riding in your car up to the face value of the amount insured of anything from \$500 to \$2,000.

This coverage is for medical expenses only. It does not permit action for compensation for facial damage or anything like that. It is in no sense a required or compulsory coverage but it is comforting to know that anyone riding in your car is looked after to that extent at least in the event of an accident even if you have no legal liability as long as they are not paying passengers.

Building Owners

Would you advise Title insurance on an association-owned building?—K.C., Toronto.

Might prove to be well worthwhile. Here is a case in point. An association-owned building in Toronto was insured. Construction work was ordered on an addition. While by-law approval had been obtained to build on less than the required setback from the streetline, the title insurer spotted a restrictive covenant, still enforceable, did not allow this and on their advice the court's permission was obtained to ignore this covenant due to the changed nature of the district.

Thus a possible source of future litigation was avoided. Further, with regard to existing encroachments on the adjoining property, caused by overhang, eavestroughs and sills, the title company agreed to pay for any work entailed in the removal of these encroachments should this ever be required.

Business Interruption

Quite recently a small plant owned by a friend of mine was put out of commission for three days when a contractor's shovel on the highway ruptured the town water supply pipe. Would this be considered a business interruption claim for insurance purposes?—L.B., Coldwater.

Business interruption insurance is coverage against certain named perils. As far as I know it is not written on an all-risk basis in Canada. If the shovel was being operated, as it seems, for the department of highways, then your friend's proper recourse is to put in a claim to the department. If the plant had been put out of action, in whole or in part by a fire or some other named peril then Business Interruption insurance would definitely apply but not otherwise.

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Notice is hereby given that a dividend for quarter ending February 29, 1960, has been declared on the capital stock of the Company as follows:

First Preference Shares	Cumulative	37½ cents
Redeemable, Series "A"	per share	
Second Preference Shares		54 cents
Common Shares	per share	54 cents

The dividend will be payable March 1, 1960, to shareholders of record at close of business on the 3rd day of February, 1960. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.
R. G. MEECH,
Secretary.

Toronto, January 5, 1960.

LOBLAW COMPANIES LIMITED

Notice is hereby given that a dividend for quarter ending February 29, 1960, has been declared on the capital stock of the Company as follows:

Preferred Shares	60 cents
Cumulative Redeemable	per share	
Class "A" Shares	10 cents
Class "B" Shares	10 cents

The dividend will be payable March 1, 1960, to shareholders of record at close of business on the 3rd day of February, 1960. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.
R. G. MEECH,
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NOTICE is hereby given that a dividend for the quarter ending January 31, 1960 of forty cents per fully-paid share on the outstanding Capital Stock of this Bank and an extra dividend of twenty-five cents per fully-paid share have been declared, payable at the Bank and its branches on February 1, 1960, to shareholders of record at the close of business on December 31, 1959.

By Order of the Board.

J. P. R. Wadsworth,
General Manager

Toronto, December 11, 1959

Gold & Dross

Brokers and Clients

Would you care to comment on the agreement as to terms of account acceptance and continuance which Toronto Stock Exchange members have been asking clients to sign?—N.S., Toronto.

The agreement contains little, if anything, new or not implicit in former dealings between brokers and clients. But some features are worthy of note.

Clause four says a client's credit balance can be commingled with the general funds of the brokerage firm and used for the general purposes of its business. It adds that any such credit balance shall be deemed to be, and shall be, an item in a debtor and creditor account between the client and the firm, and that the client shall rely only on the liability of the firm in respect thereof. He would not be a preferred creditor.

The agreement does not seem to indicate any obligation on the part of the firm to pay interest on a credit balance notwithstanding its commingling "with the general funds" reducing the amount of money the broker has to borrow to carry his margin accounts.

While it is difficult to imagine a broker not paying interest on a client's credit balance, the agreement looks a little one-sided by reason of its failure to state that the broker will adjust the interest rate to be paid to the rate of the call money market.

The broker is, however, not napping on his own welfare. "I authorize you to charge, and agree to pay, interest on any debit balance owing to you by me at the rate set by you from time to time without notice of any change of such rate."

The client can protect his own interests by withdrawing his credit balance and investing it in short-term bonds, thus being assured of the current interest rate and avoiding the risk associated with not ranking as a preferred creditor.

The agreement refers to securities held in safekeeping. Any client leaving securities with a broker for safekeeping might do well to obtain legal advice as to the latter's obligation to replace them in the event of their loss or theft.

A large loss occurred when a clerk filched several hundred thousand dollars worth of securities left with a Toronto broker for safekeeping. The thefts, for which the broker compensated the owners, were over a period of several years. They

were undetected because of securities held for safekeeping not being subject to audit.

Most member houses are, of course, sound financially. Nonetheless the position of the client leaving securities for safekeeping can be risky whereas a safety-deposit box can be rented for a few dollars a year. Brokers are seldom anxious to undertake custodianship because no account tends to be as inactive as the one whose securities are earmarked for safekeeping.

Brazilian Traction

I should be very glad if you could give me some information about Brazilian Traction. Do you think it will ever pay dividends again? Or will the price of the stock improve any in the future?—J.R., White Rock, B.C.

Shareholders of Brazilian Traction at the annual meeting in June of 1959 renewed for one year the authority of directors to pay dividends in stock, although it was indicated that such dividends would not necessarily be declared.

It is impossible, of course, to be precise as to Brazilian dividends or many other investment affairs. One must sometimes rely considerably on the market action of a stock for indications of underlying values. This may be useful when a stock has a wide enough distribution for its price to be a reflection of representative supply and demand. This is the case with Brazilian, which is traded in Toronto, Montreal, London, New York and several lesser money markets. In other words, the price of Brazilian is saying that the consensus of world investment markets is that its chance of getting back on a dividend basis is worth around \$4.50 to \$5.00 a share.

The company is enjoying good earnings in relation to market price of the shares but cannot obtain the release of the necessary dollars from Brazil with which to pay dividends.

Falconbridge

I am holding some Falconbridge Nickel Mines as an investment. Are the dividends likely to increase so that the yield will equal or exceed present bond yields?—D.J., Sarnia.

Yield is properly calculated on market price. Falconbridge has been selling around \$31 a share, yielding, on the basis

of indicated dividends of \$1.20 a year, approximately 4%. Bonds are yielding 6% or more and Falconbridge yield to be comparable would require a dividend of \$2 per year. There seems to be little possibility of this in the immediate future since the company incurred indebtedness to expand production and since earnings for 1959 probably won't warrant a dividend increase. Some estimates place earnings for the period at only slightly in excess of the \$1.88 chalked up in 1958.

Falconbridge commands a relatively high price-earnings ratio for a mining stock for three reasons: (1) the increasing scarcity of good investments; (2) the fact that resource stocks offer an attractive hedge against inflation; and (3) the reduced floating supply of Falconbridge as a result of control of the company being held by Ventures.

The company mines nickel and copper ores and works the concentrates for their metal. In other words, it is in the processing or improving business as well as in mining. This adds interesting current earnings to its longer-term possibilities of increasing in price by reason of the value which would be added to its ore in the ground as a result of inflation, or advances in the prices of commodities generally.

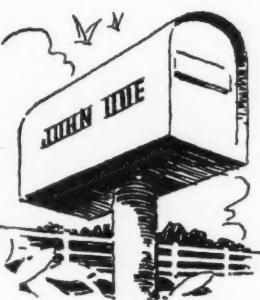
While it is possible for the stock to be overvalued by reason of the relatively low floating supply, the reverse can also be true. The stock can become undervalued because of the restricted market interest in an issue of which a major amount is held by another company.

Canadian Vickers

I wish you would give your opinion of the prospects of Canadian Vickers over the next few years. Also your guess as to what the price of the stock will be a year hence.—N.C., Fredericton.

Canadian Vickers is a cyclical industry and has felt the impact of the recession in purchases of capital goods. The company is engaged in shipbuilding and ship repairs and manufactures industrial and mining equipment. The stock, of which there are 545,000 shares outstanding (no securities senior to it), appears to be low-priced in relation to current and fixed assets. It may be regarded as not unattractive in relation to speculative possibilities but one hesitates to be pinned down to a 12-month period during which these possibilities might reflect in the market price. It has also to be admitted that there is no assurance that the stock won't go lower before it goes higher.

Guessing as to prices is extremely hazardous for the financial analyst. For example, stock of one Canadian manufacturing company was two years ago selling for \$8 a share and, while it was intrinsically cheap, there was no reason for



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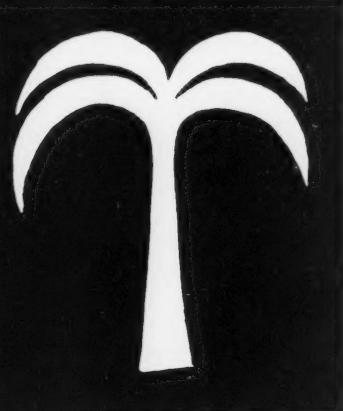
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anticipating it would not continue to be cheap. To-day the stock is \$19. Control of the company has since been acquired by a non-Canadian group, whose entrance into the picture no analyst could anticipate.

Values, of course, ultimately prevail. In the case of Vickers, the value seems to be there at current prices.

Mutual Practice

In comparing the various mutual funds, a major difference seems to be whether or not the purchase of additional shares by re-investing dividends is done at net cost. Assuming that, in other respects, the different funds are equally attractive is this difference as much as the 7% it appears to be? — M.J., Prescott.

The usual practice with mutual funds is for dividends left in by the stockholder to be re-invested at net cost, that is portfolio value without the 7% load which exists in the case of original purchases through the fund's authorized selling agents.

Of course, if the investor withdrew his dividends and bought additional shares, he might or might not pay the portfolio value plus the 7% load. He would pay the load if he bought through the fund's authorized agents but might save a portion of it by buying shares in the fund on the open market.



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CANADIAN PACIFIC RAILWAY COMPANY

Dividend Notice

At a meeting of the Board of Directors held today a final dividend of seventy-five cents per share on the Ordinary Capital Stock was declared in respect of the year 1959, payable in Canadian funds on February 29, 1960, to shareholders of record at 3:30 p.m. on January 5, 1960.

By order of the Board.

T. F. TURNER,
Secretary.

Montreal, December 14, 1959.

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Scurry and Arcan

I am a small shareholder in Scurry Rainbow Oil and Arcan Corporation. The former seems to have evaporated, the latter to be torn between diversified interests striving to save the shareholders and incidentally themselves. Thanking you for information or advice you can give me about these companies.—B.R., Kingston.

Scurry Rainbow is an oil exploration and land-play company in western Canada and the lack of interest in it largely reflects the temporary pall of gloom over this industry as a result of disappointing developments in the market for petroleum products. Additionally, the stock is traded on the over-the-counter or street market; hence has less possibility of attracting attention because of company developments than a listed stock. Even by comparison with other unlisted stocks, it is a quiet one.

Scurry may be regarded as a speculation on the betterment of the oil industry. Over the longer term, the position of a Canadian company with production and acreage should be favorable since the U.S. is eating up its own oil reserves rapidly, and this country is well situated to supply it.

Arcan Corporation has been the subject of internecine strife, with the former

in Toronto—the
PARK PLAZA
of course!



roster of directors being returned to office after a proxy fight which was more productive of acrimonious discussion than of clarification of the company's prospects.

The fuzzy nature of the latter is evident in the current quotation of less than \$1 a share on the unlisted market for the stock, which sold up to \$8 or so on the Toronto Stock Exchange prior to being suspended. The stock could be relisted, providing the company supplies necessary information to the exchange, but we wouldn't look for this in itself to improve the quotations.

Arcan was an obscure company in the metal-working field, and several months ago commenced a number of corporate acquisitions in other lines. Enthusiasm for the company's prospects resulted in the stock, which had been a dog on the market from time immemorial, jumping from \$2 or \$3 a share to \$8 before running into the storm of selling which punched it back to where it started from, and even further.

One thing was noteworthy about the final meeting, which confirmed the former board of directors in office. That was the prominence the metropolitan press gave to telephoned threats on the lives of two Arcan directors prior to the meeting. We have never known a director or shareholder of a company to be physically harmed as a result of a contestation for corporate control but periodically financial reporters make the front pages with stories of fist fights or other violence threatened at proxy battles. The public eats this up but it isn't taken seriously by the realistic financial commentator.

In Brief

How is Upper Canada doing?—D.T., Toronto.

Mill rate working higher as mine works lower.

Do you like Willroy?—K.N., Montreal.
Might improve market price if ore widths and grade continue to expand and if copper price rises.

How long before San Antonio hits the Forty-Four orebody?—P.J., Victoria.
Probably some months.

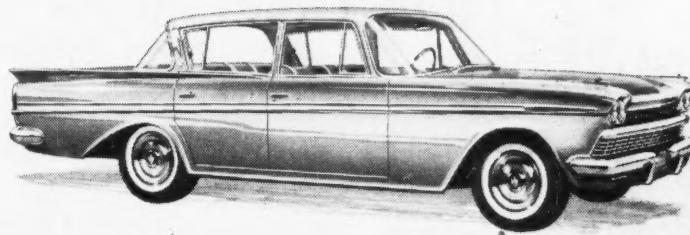
Why did Asbestos Corp. cut its year-end extra dividend?—L.S., Halifax.
Lower profits.

Has Cons. Vauze gone underground yet?—M.J., Ottawa.

Has commenced shaft sinking in Noranda area.

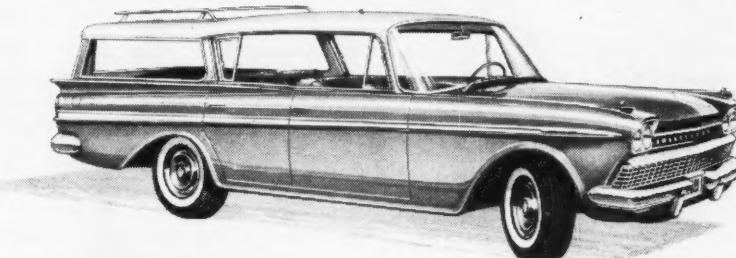
Anything new at Canadian Javelin?—S.B., Calgary.

May consolidate remaining iron properties in hope of deal similar to that on its Wabush group.



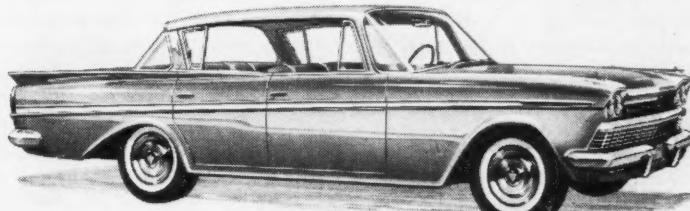
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AMBASSADOR—Another Great Success Car from American Motors

Your Taxes

by Garfield P. Smith, CA

UNDER OUR INCOME TAX law, a taxpayer who feels that he has been improperly assessed, may follow the various steps provided for objecting to or appealing against his assessment. Where a taxpayer has appealed against an assessment and has failed, he may still continue the same course of action which resulted in the first assessment. He will of course, continue to be taxed in the same manner, but may, if he wishes, appeal against any of the subsequent assessments.

It is interesting to observe some of the results when the history of a transaction is looked at over a period of years. The Income Tax Act provides that where a taxpayer transfers property to a person under the age of 19, and who will not be 19 during the year, the income from such property will be taxed as income in the hands of the transferor and not of the transferee. The act further provides that the transferor will continue to be taxed on the income from such property up to, and including the year in which the transferee reaches the age of 18 years.

It is also provided that where there has been one or more substitutions for the original property, the income from the substituted property shall be taxed as though it were the original property. Similar provisions were contained in the Income War Tax Act, and in the 1948 Income Tax Act. Where money has been loaned to a minor to acquire revenue producing property, what is the status of the income from such property? Does the loan constitute a transfer within the meaning of the Act so that the income will be taxed in the hands of the lender? This question appears to have been dealt with thoroughly in the cases of *Dunkelman V M.N.R.* The facts are as follows:

In May 1945, Dunkelman created a trust for the benefit of his children. The declaration of trust provided that when the youngest child attained the age of 21, the property would be turned over to the children. Dunkelman then obtained a personal loan of some \$17,000 from his bank, and in turn loaned the proceeds to the trust. The trust purchased real property in the City of Belleville for the sum of \$16,000. The trustee then gave a mortgage to Dunkelman for the funds advanced by him. The terms of the mortgage called for interest at the rate of 5% per annum to be paid half-yearly, and for the principal to become due and payable on May 31, 1950.

On assessment, the income of the trust

was the taxed as income of Dunkelman, because in the opinion of the Minister, the loan by Dunkelman to the trust constituted a transfer to his children. An appeal was filed for the years 1946, 1947 and 1948 before the then Income Tax Appeal Board, the Board having no jurisdiction to hear cases for taxation years prior to 1946. The Board ruled that a loan was a specific form of transfer or conveyance, just as a sale or donation would be a specific form of transfer or conveyance, and the appeal was dismissed.

The decision of the Board was handed down in 1951, and presumably the income from the trust was taxed in the hands of Mr. Dunkelman in all subsequent years.

After a number of years, the taxpayer may have had some second thoughts as to his position in the matter, and he appealed against his assessments for the years 1952 to 1955 inclusive. In view of the previous decision of the Income Tax Appeal Board, the taxpayer by-passed the Board, and took his case directly to the Exchequer Court of Canada.

Thurlow, J., who heard the case, stated that a section of the Act which levied tax on one person in respect of income of another must be regarded as an exception to the general rule, and therefore must be strictly construed so as not to include anything beyond the scope of the natural meaning of the language used. Following this, he stated that a loan of money is technically a transfer even though the right to repayment exists. However, he felt that it required an unusual and unnatural use of the words "has transferred property" to include the making of a loan.

He then went on to state that the lender does not think of himself as having transferred the property, and the casual observer would not say that the lender has transferred property, and "that no one, be he lawyer, businessman, or man in the street, uses such language to describe such an act. I also think that, if Parliament had intended to include a loan transaction such as the present one, the words necessary to make that intention clear would have been added, and it would not have been left to an expression which in its usual and natural meaning does not clearly include such a transaction". Needless to say, after these comments, the appeal was allowed.

The judgment rendered covers the assessments for the years appealed against only, and does not affect the assessment of prior years. Thus the Income Tax

Appeal Board decision still stands for those years.

If, in any of the years covered by the appeal to the Exchequer Court, assessments had been issued against the trust or against the children, and such assessments were reduced or cancelled because re-assessment had been issued taxing the income in the hands of Dunkelman, and if more than four years had elapsed from the date of the original assessments, then the income would be taxed neither in the hands of Dunkelman nor the trust or the children as the case may be. Dunkelman would not be taxed, because his appeal was allowed. The trust or children would not be taxed, because more than four years will have elapsed from the date of the original assessments, and they would be statute barred, except in the case of fraud or misrepresentation.

It is thus possible that although the same situation existed in each year, the income will have been handled in three different ways for taxation purposes. In the early years the income will have been taxed in the hands of Dunkelman; in the latter years, the income will have been taxed in the hands of either the trust or the children depending on the circumstances; and it may be that in some of the years no tax will have been levied at all.

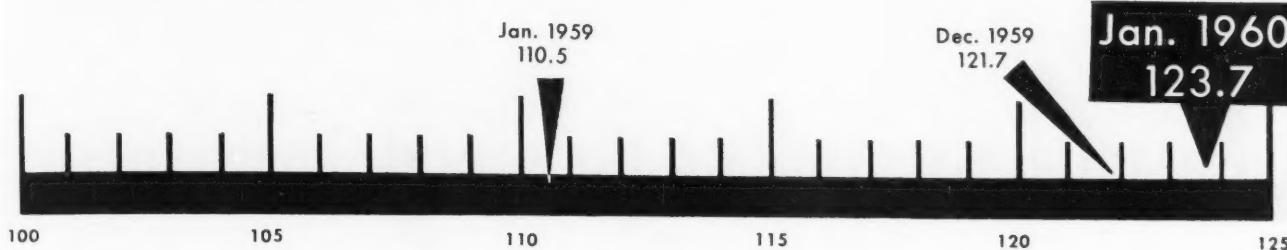
Fiscal Year End

I used to operate a business which had its fiscal year end on March 31 in each year. I sold my business last October. In what year do I report the income from April 1, 1959 to the date of sale? S.C.G. Toronto.

You have an option here, and the selection would depend on the amount of business income for each fiscal period, and the amount of your income from other sources. The income for the broken period may be reported as 1959 income, so that your total income for the year will consist for the full fiscal period ending March 31, 1959, income for the broken period to the date of sale, and income from other sources for the calendar year. If it is to your advantage, you can elect to have your fiscal period end on its normal date, which would be March 31, 1960. The income for the broken fiscal period will then be included in 1960 instead of in 1959.

Let us suppose that you have been a proprietor or partner in only one business or partnership, and that you were not an employee during that time. If you then discontinued your business or partnership operations, and became an employee, you may be in the position of having income for the year covering a period greater than the number of days in the year. This could result in a portion of your income being subject to an unduly high tax rate. Where this situation exists, you are permitted to make an election under the Act, and use a formula that avoids an increase in the effective rate of tax.

Business Index for January



Indicator Table	Unit	Latest Month	Previous Month	Year Ago
Index of Industrial Production (Seasonally Adjusted)	1949 = 100	170.8	167.0	152.2
Index of Manufacturing Production (Seasonally Adjusted)	1949 = 100	153.7	148.1	139.4
Retail Trade	\$ millions	1,429	1,301	1,326
Total Labor Income (Seasonally Adjusted)	\$ millions	1,511	1,492	1,353
Consumer Price Index	1949 = 100	127.9	128.3	126.2
Wholesale Price Index of Industrial Raw Materials	1935-39 = 100	242.9	240.8	233.8
Manufacturers' Inventories, Held and Owned	\$ millions	4,449	4,464	4,368
New Orders in Manufacturing	\$ millions	2,027	2,011	1,831
Steel Ingot Production	'000 tons	525	492	255
Cheques Cashed, 52 Centres	\$ millions	22,496	20,424	22,441
Total Construction Awards (Hugh C. MacLean Building Reports)	\$ millions	169	312	271
Hours Worked in Manufacturing	per week	41.2	41.0	40.7
Index of Common Stock Prices	1935-39 = 100	268.9	259.2	266.8
Imports	\$ millions	495.7	467.1	498.0
Exports	\$ millions	449.0	471.9	407.2

Most latest month figures are preliminary ones.

AS THE OVERALL business indicator shows, this year begins with a healthy move forward from 1959. This is a continuation of the trend to new highs, which started some months back.

The latest index of industrial production, seasonally adjusted, was 170.8 (index of 1949=100). The peak of the old boom was 159.5, registered in Spring, 1957. Manufacturing, itself, just recently rose above the high reached at the beginning of 1957. However, durables are just now setting record highs. The old top was in the Fall of 1956. Non-durables have been hitting new highs all 1959; their old one was in Spring, 1958.

It is interesting to note the vast difference in timing of the peaks of various sectors of the economy. Non-durables peaked some 18 months after durables and came back faster.

Total labor income is running at a rate of \$150 million a month more than it did one year ago. Part of this is in increased wages, part more jobs and part longer hours. As times get rough overtime is first to go, then follow the workers. Latest figure

shows a work week in manufacturing of 41.2 hours. This exceeds all the monthly averages for 1957 and 1958. You have to go back to the Fall of 1956—when durables were high—to get bigger figures.

Latest Gross National Product figure—the sum total of goods and services produced in the country—shows up the plateau level of the economy we were talking about a few months ago. The figure—for the third quarter of 1959—is \$34.7 billion, seasonally adjusted at annual rates. The 1959 second quarter figure was \$34.6 billion. The last quarter figure should be the best for the year.

The Gross National Product average for the year was some seven per cent above that for the same months of 1958. Take away inflation and you get a five per cent gain. Our postwar average gain is four per cent, while 1958 showed no gain over 1957.

New orders in manufacturing continue to ride at the \$2 billion a month mark, roughly ten per cent ahead of a year ago. Remember, though, that productivity is up from a year ago. All those new orders

don't mean 10 per cent more jobs or anything like that.

The weak side of affairs is shown in construction. Outlook is that construction this new year, combining public and private, may just top the total for 1959. That figure should be close to \$7.5 billion. The catch is how much governments can and will spend. There is also no real way of knowing what the new 6 3/4 per cent interest rate on National Housing Act mortgages will do at this time.

MacLean Building Reports show contract awards for 1959 of \$3.2 billion. In 1958 the total was \$3.6 billion. (These show trends ahead for construction, not totals to be spent.) The only group registering an increase was industrial building. This, in itself, is very good for it means more plants ahead and thus a bigger boost to our economy by far than the same amount of money spent in house building.

The year has come in like a lion. Let us hope that it does not take it on the lam come December.

—by Maurice Hecht

(Saturday Night's Business Index is a compilation of statistical factors bearing, generally, on Canada's gross national product. It is designed to reflect pace of economic activity. The base 100 is drawn from 1955 data.)

Point of View

We Made the Indian Poor and Irresponsible

by Frank Howard, MP

IN YOUR ISSUE OF November 21 an article appeared [Point of View] entitled, "Lo, The Poor, Irresponsible, Lazy Indian". This article, to me, is so grossly unfair and denigrating that I feel compelled to take issue with it. Mr. Schmidt appears to start from a preconception; then he proceeds to fit certain understandings to this premise, something like tackling a jig-saw puzzle with a chisel to make sure the pieces fit together, in disregard of the picture which will result from such blind butchery.

First let's start from some area of agreement. Some Indians are lazy, poor, irresponsible, dull, slow and untidy. In fact they are almost the same as a lazy, poor, irresponsible, dull, slow and untidy so-called white man. But, to condemn an entire race of people because some (no matter how many) are indolent is particularly offensive and reflects all the imaginative intensity of inexperience or intolerance.

Contrary to Mr. Schmidt's opinion, the Indian has *not* been given a chance. For more than half a century we have refused the Indian a proper opportunity; have failed to treat him with the respect that an individual needs; have attempted to eliminate him as a race; have ridiculed his culture and history; have segregated him onto reserves; have discriminated against him socially and economically; have refused him the same rights and responsibilities that we enjoy; have paternalized him into a state of inaction; have denied him the right to an education, the franchise and liquor.

Let us confine our thoughts to the Indians in Alberta, as did Mr. Schmidt. The first Europeans who became interested in the Indians were the fur traders and the whisky traders, each assisting the other. The Indians were looked upon as tools for the exploitation of the fur resources. With repeating rifles for larger fur harvests, whisky for more lucrative "business" deals and a debasement of the Indian marital customs our forefathers brought

disease, death, and drunkenness, rather than education and enlightenment.

At about the same time many short-sighted missionaries entered the scene. These overzealous men of God saw it as their Divine duty to stamp out paganism, without at the same time appreciating whether it was or was not paganism that they were trying to eliminate. We must seriously question whether or not it was prudent to destroy religious concepts without being sure that we could replace them.

Education seemed an excellent way to instil a different religion. This appealed to government for it was a cheap way to

Mr. Howard represents the constituency of Skeena in Parliament. He is a member of the CCF Party.

provide education. This compulsory conversion program consisted of a minimum of education and a maximum of religious indoctrination often against the wishes of the Indian. It was more destructive than constructive. Moral supports were weakened and character was watered down.

Before the end of the last century we embarked upon a program of destroying Indian cultures, history, arts, crafts and ethnic structure. We were afraid that the Indian would become welded into a fighting group and use force to retaliate against us for our land thefts via the Treaty. This fear gradually declined as we increased in population and the Indian became more dependent upon a type of economy different from his own.

For the past 50 years we have been insisting that the Indian accept our standards and discard his own culture. We want him to accept our society without, in any way, showing that we even want to

learn about his background. We have consistently failed to keep our word with the Indian. We have cheated him left and right, and now expect him to trust us.

We have coddled him as a ward of the Crown and now expect him to stand on his two feet. We have called him inferior and now expect him to suddenly accept our standards. We have forced him to live a segregated life on a reserve, but want him to move into our social structure which is alien to him. We have denied him the right to a higher education (e.g., restrictive land covenants at UBC) and then condemn him as stupid.

With such a background it is a miracle that any Indian could overcome these obstacles. Some have, and great achievements have been made. The individual Indians whom I list reached their present position not because of the educational system but in spite of it and accordingly should receive society's highest commendation.

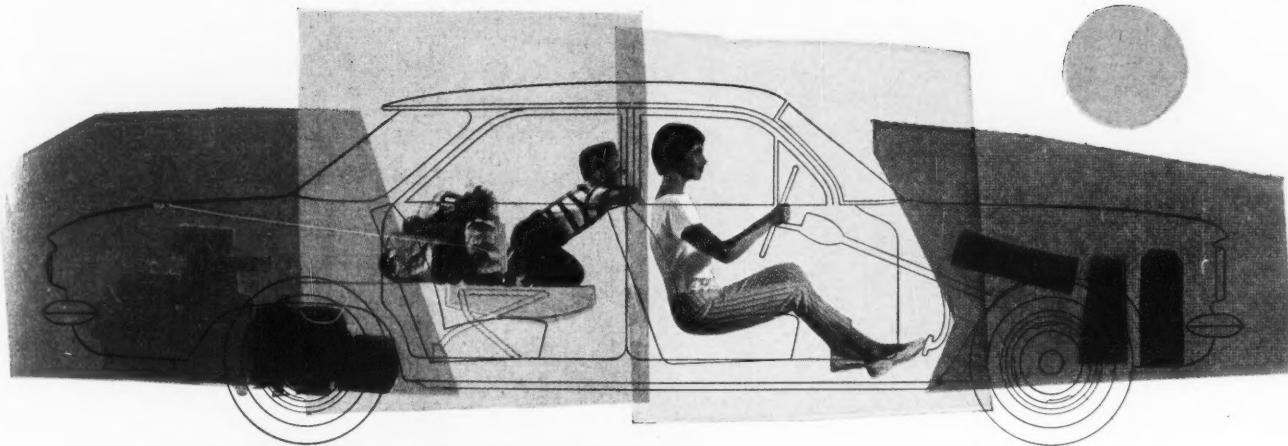
Canon Edward Ahenakew, for instance, holds an honorary degree as Doctor of Divinity from Emmanuel College at Saskatoon. The Rev. Dr. Peter Kelly was President of the BC Conference, United Church of Canada, 1957-58. Magistrate Oliver Martin of York County, Ontario, had a brilliant career in the Army before being elevated to the Bench. Miss Marlene Brant, BA, MA from the Tyendinaga Agency and Dr. Leon Grosouis, MD from the Jeune Lorette Band are other examples of perseverance.

What must be done to ensure that the Indian takes a place in society equal in prominence and contribution to the non-Indian would require an extensive reasoned, and documented article. But one thing is sure; bigoted remarks, based on prejudice, are not the fuels for progress.

If, as Mr. Schmidt believes, the Indian has been given a chance it is about the same chance that a fifteen year old would have at a crooked roulette wheel. Some chance!

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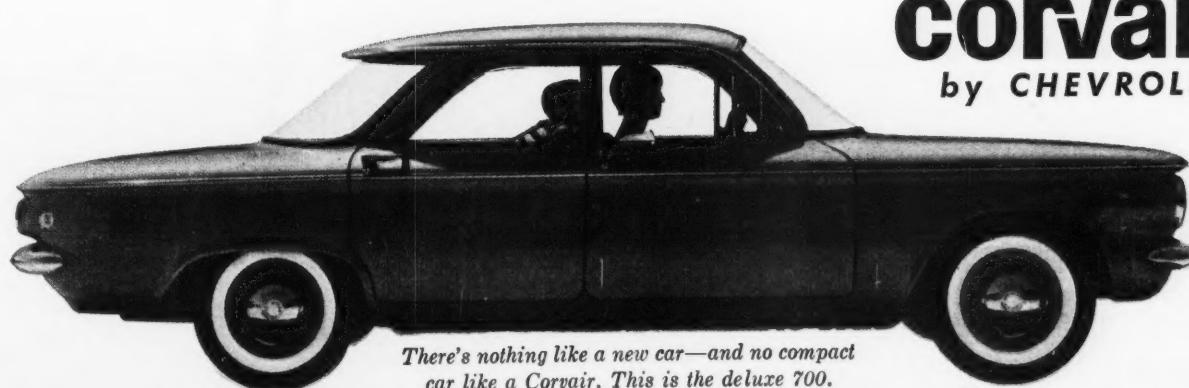
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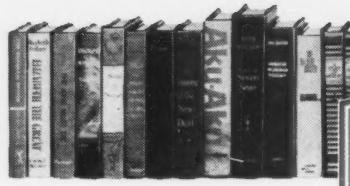
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